

PROSPECTUS

UNDER WHICH A CONCESSION CONTRACT WILL BE OPEN FOR COMPETITION
FOR THE OPERATION OF:

Accommodations, Facilities, and Services
On the South Rim of
Grand Canyon National Park

PROSPECTUS ISSUED: April 5, 2001

Offers and any modifications of them must be received by
The National Park Service

no later than AUGUST 2, 2001 AT 4:00 P.M.

at

National Park Service
Business Resources Division
Intermountain Region
12795 West Alameda Parkway
P.O. Box 25287
Denver, Colorado 80225-0287
(303) 969-2661

ADDRESS QUESTIONS BY MAIL TO:

Mr. Joseph Alston
Superintendent
Grand Canyon National Park
Post Office Box 129
Grand Canyon, Arizona 86023

TELEPHONE INQUIRIES TO:

Mr. Raymond Gunn
Chief, Concession Program Management
Grand Canyon National Park
(520) 638-7709

If requested, a site visit will be conducted to allow for viewing of the facilities by all interested parties on May 15, 2001. Please telephone Ms. Laura Shearin no later than May 1, 2001 at (520) 226-0169 to declare your interest.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
INTERMOUNTAIN REGION

PROSPECTUS

South Rim Accommodations, Facilities and Services
CC-GRCA001-01

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- Principal factor 1. The responsiveness of the Proposal to the objectives, as described in the prospectus, of protecting, conserving and preserving resources of the park area.
- Principal factor 2. The responsiveness of the Proposal to the objectives, as described in the prospectus, of providing necessary and appropriate visitor services at reasonable rates.
- Principal factor 3. The experience and related background of the Offeror, including the past performance and expertise of the offeror in providing the same or similar visitor services as those to be provided under the concession contract.
- Principal factor 4. The financial capability of the Offeror to carry out its proposal.

Principal factor 5. The amount of the proposed minimum franchise fee, if any, and/or other forms of financial consideration to the Director (However, consideration of revenue to the United States will be subordinate to the objectives of protecting, conserving, and preserving resources of the park area and of providing necessary and appropriate visitor services to the public at reasonable rates.)

SECONDARY SELECTION FACTORS

Secondary factor 1. The quality of the Offeror's proposal to conduct its operations in a manner that furthers the protection, conservation and preservation of park area and other resources through environmental management programs and activities, including, without limitation, energy conservation, waste reduction, and recycling.

Secondary factor 2. The quality of the Offeror's proposal to provide needed employee housing and to adaptively convert existing housing to guest lodging.

Secondary factor 3. The quality of the Offeror's proposal to conduct its hiring, training and retention program for employees in such a way that furthers its ability to provide exemplary customer service beyond the basic requirements of the draft contract.

APPENDICES

1. National Park Service and Its Mission; Concession Program Management
2. Public Law 105-391 Title IV: National Park Service Concessions Management Improvement Act of 1998.
3. 36 CFR, Part 51: Concession Management Regulations.
4. 2001 NPS Management Policies, Chapter 10: Commercial Visitor Services.
5. Park Visitation
6. 2000 Approved Rates
7. Sample Operating Schedule
8. Concessioner's Financial Information
9. Existing Contract
10. Agreement for Determining the Value of the Possessory Interest in Certain Improvements under NPS Concession Contract No. CC-GRCA001-69; Statement of Value
11. Reclaimed Water Agreement
12. Changes in Insurance Requirements.
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SUMMARY OF BUSINESS OPPORTUNITY

South Rim Accommodations, Facilities and Services
CC-GRCA001-01

This prospectus is for an existing business that operates facilities and services for visitors to Grand Canyon National Park, principally at three developed areas along the South Rim: Hermits Rest, Grand Canyon Village, and Desert View. The business also provides facilities and services at Phantom Ranch, near the Colorado River. In addition to operations at these sites, this business also includes transportation services and mule livery.

A. Facilities and Services at Beginning of Contract

1. Overnight Accommodations
2. Food and Beverage Service
3. General Merchandise
4. Transportation Services
5. Automobile Services
6. Mule Operations
7. Kennels for cats and dogs
8. Camper Services
9. Trailer Village
10. Reservation Services
11. Other Services: Vending, Interpretive Programs

B. Annual Gross Receipts by Year

Year	2000	1999	1998
Gross Receipts	\$71,869,190	\$69,181,642	\$68,579,042

C. Number of employees at seasonal peak: 1,172

D. Sound value possessory interest compensation for incoming operator as of December 31, 1998: \$165,000,000

E. Length of new contract in years 10

F. Estimate of total capital investment required during new contract:

Purchase of Possessory Interest:	\$165,000,000
Merchandise Inventory:	\$3,300,000
Purchase of Personal Property	\$9,000,000

Total: **\$177,300,000**

G. Fee History (based on requirements of previous contract)

	2000	1999	1998
Franchise Fee	\$2,500,594	1,753,732	1,770,406
Building Fee	NA	15,000	15,000
Special Account	NA	649,530	655,706

H. Proposed Fees:

- Franchise Fee 3.8%
- Maintenance Reserve 1%

I. Building & Improvement Program \$8,500,000

J. Merchandise Inventory:

	2000	1999	1998
Total	\$3,194,923	\$3,737,167	\$3,310,883

Fixed Assets of Existing Concessioner 2000	Fixed Depreciable Assets	Net Depreciable Fixed Assets
Total	\$44,000,224	\$24,739,808

K. Existing Concessioner:

Name: Amfac Resorts, LLC dba
Grand Canyon National Park Lodges
Address: 14001 East Iliff Avenue Suite 600
Aurora, CO 80014
Telephone No. (303) 338-2773

L. For further information, contact:

Mr. Raymond Gunn, Chief, Concession Program Management
Grand Canyon National Park
P.O. Box 129
Grand Canyon, AZ 86023
(520) 638-7709

This summary is provided as a ready reference of key points for interested parties. It does not modify the Prospectus. The business opportunity is described in the Prospectus.

BUSINESS OPPORTUNITY

South Rim Accommodations, Facilities and Services CC-GRCA001-01

This Prospectus describes the existing business and the business opportunity to operate Accommodations, Facilities and Services on the South Rim and at Phantom Ranch in Grand Canyon National Park in general terms. Potential Offerors are responsible for reviewing all sections of this prospectus and specifically the terms and conditions of the attached Draft Contract, including its exhibits, to determine the full scope of a concessioner's responsibilities under the new contract.

All interested parties must apply using the guidelines in the Proposal Instructions and Package.

CURRENT OPERATIONS

All facilities and services to be authorized by the National Park Service (NPS) under this contract are located on the South Rim of Grand Canyon National Park.

Grand Canyon National Park is a World Heritage Site. Grand Canyon National Park attracts 4.5 to 4.9 million visitors a year, with most visitation occurring from March to October. Visitation ranges from over 150,000 to 650,000 per month. Approximately 40% of the park's visitors are from outside the United States, from locations around the world.

The National Park Service has determined that certain visitor services and facilities are necessary and appropriate to enhance visitors' enjoyment of the park, while ensuring that resources are protected. A number of major concession contracts currently exist in Grand Canyon National Park, of which this is the largest:

- Amfac Resorts, LLC, dba Grand Canyon National Park Lodges, provides overnight lodging, food service, transportation, gift shops, public showers, public laundries, kennels, a service station and mule operations on the South Rim and at Phantom Ranch.
- TW Recreational Services, Inc., a subsidiary of Amfac Parks and Resorts, Inc., provides overnight lodging, food service and gift shops on the North Rim.
- Delaware North Parks Services operates Canyon Village Marketplace, a general store including groceries, camping supplies and deli, on the South Rim.
- Verkamps, Inc. provides a gift shop on the South Rim.
- Grand Canyon Trail Rides provides guided mule and horse rides on and from the North Rim.
- A number of concessioners provide guided river running trips on the Colorado River.

In addition, approximately 350 operators provide road tours, guided backpacking, guided day hikes, outfitting, locksmith services and horseback rides under other authorizations.

Staffing at Peak Season

- National Park Service staff consists of approximately 325 full-time employees, and 100 less-than-full-time and seasonal employees.
- Amfac Resorts, LLC, dba Grand Canyon National Park Lodges, has approximately 900 full-time staff and 300 seasonal employees.
- In total, approximately 2500 people live year-round, and another 1000 live seasonally, on the South Rim of the Grand Canyon. In addition, about 500 more people live in the gateway community of Tusayan.

National Park Service and Amfac Resorts, LLC administrative offices are located on the South Rim of Grand Canyon National Park. Year-round services include a K-12 school, medical clinic, post office, bank, general store, church, day care and recreation center.

Many permanent employees reside in the village year-round. Housing in gateway communities is extremely limited. The closest communities with viable housing markets are Williams, Arizona, 60 miles away, and Flagstaff, Arizona, 85 miles away.

The Current Contract

The current contract expires on December 31, 2001. The Director, pursuant to 36 CFR Part 51, has determined that this is not a qualified concession contract, because it is anticipated that receipts in the first year of the new contract will exceed \$500,000, and the new concession contract will not solely authorize or require guide services. Therefore no preferred Offeror for this contract exists.

Facilities

The condition of the facilities varies. Additional employee housing is a critical need. The Exhibits to the Draft Contract, which are part of this document, describe the buildings and land assigned and the trails to be used.

The new concessioner will be assigned lands and facilities in Grand Canyon National Park necessary for the operation, and will be required to maintain the lands and facilities in a manner acceptable to the NPS. Specific operating and maintenance requirements are detailed in the Operating and Maintenance Plans, Exhibits B and H to the Draft Contract.

THE BUSINESS TO BE OPERATED

This business operates facilities and services for visitors to Grand Canyon National Park, principally at three developed areas along the South Rim: Hermits Rest, Grand Canyon Village, and Desert View. It also provides facilities and services at Phantom Ranch, near the Colorado River. This business also includes transportation services and mule livery.

Most of the facilities are open 7 days a week, 12 months a year.

A. Facilities and Services at Beginning of Contract

1.	<u>Overnight Accommodations</u>	<u>Number of Rooms</u>	<u>Lodging Type</u>
	El Tovar Hotel	78	Deluxe hotel rooms
	Kachina/Thunderbird Lodges	104	Deluxe motel rooms
	Bright Angel Complex		
	Bucky/Powell Motel	39	Rustic rooms
	(with and without bath)		
	Historic cabins	35	Mid-scale cabins
	Rim Cabins	15	Deluxe cabins
	Maswik Complex		
	Maswik Lodge North	160	Mid-scale motel rooms
	Maswik Lodge South	90	Economy motel rooms
	Maswik Quad Cabins	28	Economy cabins
	Yavapai Complex		
	Yavapai East	198	Mid-scale motel rooms
	Yavapai West	160	Economy motel rooms
	Phantom Ranch		
	Cabins without bath	11	Rustic cabins
	Dormitories (10-person, same gender occupancy)	4	Rustic dormitories

Rustic rooms and cabins are adequately furnished to complement their historic role in park accommodations. They have bathrooms & showers located in close proximity. Some may have private bathrooms.

Economy Rooms and Cabins are adequately furnished with average quality motel furnishings to complement park themes. They have private bathrooms.

Mid-scale accommodations are adequately furnished with above average furnishings to complement park themes. All accommodations in this price range have private bathrooms. Daily housekeeping service is provided.

Deluxe accommodations are located in or near full service hotels or lodges and are adequately furnished with the highest quality resort-type furnishings to complement park themes. They may have small refrigerators, fireplaces or sitting rooms. Daily housekeeping service and special amenities are provided.

2. Food and Beverage Service

a. Food Service

<u>Location</u>	<u>Seats</u>	<u>Meals served</u>	<u>Type of dining</u>
El Tovar Hotel	250	B,L,D	Gourmet/Fine Dining Restaurant
Arizona Room	120	L,D	Dinner Only
Bright Angel Dining	120	B,L,D	Full Service Coffee Shop
Bright Angel Fountain	0	Snacks	Limited Snack Bar
Maswik Cafeteria	395	B,L,D	Cafeteria
Yavapai Cafeteria	475	B,L,D	Cafeteria

Phantom Ranch	44	B,D, box lunches	Rustic Family Service
Desert View Trading Post	30	B,L,D	Snack Bar
Hermits Rest	0	Snacks	Limited Snack Bar

b. Lounge Service

- El Tovar Hotel 72 seats
- Arizona Steakhouse 20 seats
- Bright Angel Lodge 80 seats
- Maswik Lodge 78 seats

c. Transportation/Visitor Information Desks

- Bright Angel Lodge
- Yavapai Lodge
- Maswik Lodge

3. General Merchandise

- El Tovar Gift Shop and News Stand
- Bright Angel Lodge Gift Shop
- Maswik Lodge Gift Shop
- Yavapai Lodge Gift Shop
- Desert View Trading Post Gift Shop
- Desert View Watchtower Gift Shop
- Hermits Rest Gift Shop
- Lookout Studio Gift Shop
- Hopi House Gift Shop

4. Transportation Services

- Scheduled In-Park Bus Tours (to sunset when Transportation Contract is implemented)
- Step-on Guide Services (to sunset when Transportation Contract is implemented)
- 24-hour Taxi Service

5. Automobile Services

- Desert View Service Station
- 24-hour Tiltbed Towing Service with road-side repair service
- Locksmithing services
- 24-hour Credit Card fueling access at Desert View Service Station

6. Mule Operations

- Plateau Point Mule Rides
- Phantom Ranch Mule Rides
- Transport of soft-sided luggage to and from Phantom Ranch (Duffel Service)
- Emergency evacuation of visitors from the inner canyon by mule (Dragout Service)

7. Kennels for cats and dogs (may sunset when the Transportation Contract is implemented)

8. Camper Services
 - Laundromat
 - Showers
9. Trailer Village
 - RV campground -- 70 sites
 - Long term Trailer Village for NPS, Concession and Cooperator Employees only – 86 sites
 - Long term Trailer Village for NPS, Concession and Cooperator Employees only at Pinyon Park – 39 sites
10. Off-site Reservation System for all applicable services. This system will utilize a toll-free number.
11. Other
 - Vending (as defined by NPS)
 - Interpretive Programs
 - Concierge Services
 - Pay Phones
12. Support Services
 - Employee Housing and Meals
 - Employee Shuttle
 - Community Services

Basic Financial Information

Approved rates for 2000 are located in Appendix 6. Rates to the public are subject to approval by the National Park Service, under 16 U.S.C. 5955. Rates may be changed at the request of the concessioner subject to approval by NPS under 16 U.S.C 5955.

Historically, this business has been consistent from year to year in its reported revenue. Further financial information and use rates are available in Appendix 8, Financial Information.

The Proposal Package requires Offerors to develop financial projections based upon the business to be operated and the projects required. Offerors should be appropriately cautious in the use of historical information. The National Park Service will not provide financial predictions; therefore, Offerors are responsible for producing their own pro forma financial statements and relying on their own financial predictions.

FUTURE OPERATIONS

In August of 1995, the National Park Service completed a new General Management Plan for Grand Canyon National Park. This plan outlines significant changes that will improve and enhance visitors' enjoyment as well as their understanding of this spectacular environment. Such changes are both physical and philosophical. During the term of this contract, some of these changes will be implemented, and the concessioner's operations will be affected accordingly.

- Day visitors will enter and move about the Grand Canyon Village Area by means of new transportation and trail systems. Private vehicles will continue to be permitted on East Rim Drive and at Desert View.
- The anticipated implementation date for the transportation service change is January 1, 2004.
- A Heritage Education Campus will be established in the powerhouse area of the historic South Rim village. The concessioner will vacate its currently occupied historic structures in the heart of Grand Canyon Village, and will renovate and relocate its warehousing and maintenance functions to a complex that presently houses the park's NPS Maintenance shops, after the NPS completes construction of its new maintenance buildings (est. completion date 12/31/02). At that time, the fueling tanks currently owned by the NPS and used by the concessioner will be assigned to the concessioner.

At any time after December 31, 2004, the National Park Service may withdraw transportation and kennel services from this Contract and compete them as a separate business opportunity.

Copies of the Grand Canyon General Management Plan are available on the Internet at <http://www.nps.gov/grca/gmp/index.htm>.

In addition, in its reservation system, the concessioner will implement a toll-free number. All reservation services, group sales and marketing operations will be located outside the park.

Building and Improvement Program

Particular projects are identified in Section 9 of the Draft Contract, including the timing and anticipated expenditures of each project. Each project is subject to environmental and cultural compliance.

Some facilities changes at the South Rim called for by the General Management Plan will also be realized through the requirements listed in Section 9 of this Draft Contract.

Project costs

The projects identified here in general terms represent the greater part of an Improvement Program to be carried out by the concessioner and estimated by the NPS to total approximately \$8.5 million. Each Offeror should make its own determinations as to the probable cost of implementing the construction requirements identified in the Improvement Program in Section 9 of the Draft Contract.

The estimate prepared by the NPS is a "Class C" conceptual cost estimate based on square foot costs of similar construction, or on identifiable known unit costs of similar construction items. Class C estimates are usually prepared before a fully defined scope of work has been developed. They consider such factors as job location, unusual site conditions, sources of materials and supplies, and the availability and skills of local labor pools. Class C estimates are used to establish a logical expectation of the costs associated with a future project by assessing the known costs of similar past projects.

Transportation

This Draft Contract prohibits the practice of using park lands as a base of operations for transportation services conducted outside the park, as was done in the past.

Taxi service will be permitted to serve Tusayan as well as areas within the South Rim.

Environmental Management

The new concessioner will develop, document, implement, and comply fully with a comprehensive written Environmental Management Program (EMP) to achieve Environmental Management Objectives. The initial EMP shall be developed and submitted to the Director for approval within sixty days of the effective date of the contract. A proposed updated EMP will be submitted for approval annually. (See Draft Contract, Section 6).

The annual EMP will describe how the concessioner will comply with the EMP and how the concessioner will self-assess its performance under the EMP. The self-assessment should ensure the concessioner's conformance with the Environmental Management Objectives and measure performance against environmental goals and targets. The EMP shall also describe procedures to be taken by the concessioner to correct any deficiencies identified by the self-assessment.

Utilities

Water, sewage disposal, solid waste removal and recycling are provided by the park. The NPS charges the concessioner for these services. All other utilities are provided directly by utility companies.

PROPERTY OWNERSHIP AND PURCHASE

The existing concessioner has, under the terms of its existing contract, certain rights to monetary compensation in the event it is not selected as the new concessioner for the new concession contract.

This compensation relates to possessory interest in real property improvements and to personal property of the existing concessioner, or both. The compensation for possessory interest has been fixed at \$165,000,000 through binding arbitration.

It is the obligation of any Offeror selected as a new concessioner to pay the \$165,000,000 possessory interest compensation to the existing concessioner in accordance with the terms of the existing contract. The existing contract is found in Appendix 9. In light of the fact that the value of the possessory interest has been determined through binding arbitration, the new concessioner will be required to compensate the existing concessioner for its possessory interest no later than December 31, 2001.

Personal Property

Any Offeror that is selected as the new concessioner is obliged to purchase certain personal property of the current concessioner, under the provisions of the existing contract, which is included in Appendix 9.

Offerors are solely responsible for ascertaining the personal property which must be purchased and its condition. The purchase price of personal property must be estimated by the offeror. The fact that the final purchase price may be greater than estimated by an offeror will not be grounds for adjustment of the terms of the contract or other relief to the new concessioner.

Estimate of Value

The value of the existing concessioner's personal property and equipment is estimated by the NPS to be approximately \$9,000,000.

EFFECTIVE DATE OF NEW CONTRACT

The effective date of the new contract will be January 1, 2002.

FRANCHISE FEES

The minimum franchise fee for the new contract is 3.8% of annual gross receipts. However, Offerors may propose a higher minimum franchise fee in accordance with the terms of the prospectus.

SITE VISITS

If an on-site tour of the facilities is desired, it will be conducted on May 15, 2001. Such requests should be directed to Ms. Laura Shearin no later than May 1, 2001: (520) 226-0169.

Refer to Appendix 1 for an explanation of the NPS concession management system and practices.

THE PARK AREA AND ITS MISSION

South Rim Accommodations, Facilities & Services
CC-GRCA001-01

DESCRIPTION OF PARK

Grand Canyon National Park is located in the northwest corner of the State of Arizona in Coconino County, encompassing approximately 1,218,375 acres of public land on the southern end of the Colorado Plateau. Its scenic vistas attract visitors from all over the world.

A 277-mile stretch of the Colorado River runs through the park. The exposed geologic strata of the canyon rise over a mile above the river, providing one of the world's most complete records of geological history.

The elevational diversity of Grand Canyon results in significant climatic variations and biological diversity, reflected in life zones ranging from the arid lower Sonoran Desert to those typical of forested regions in Canada. Steep canyon walls admit limited sunshine to the canyon's floor during the winter, giving cold nights and cool days. Spring and fall feature cool nights and mild days. Summer nights are warm, while days are hot, usually well over 100 degrees Fahrenheit. Except for seasonal thunderstorms, usually in July and August, the area is very dry. Snowfall is occasionally recorded in the winter.

The South Rim of the Grand Canyon attracts visitors year-round, although most visitation occurs from March to October. Visitors to the Grand Canyon come from all over the world, with substantial numbers of visitors from Japan, Germany, and France.

Almost five million recreational visits are recorded in the park each year, primarily on the South Rim. The public has traditionally used the park for sightseeing, hiking, river rafting, camping, touring, and general recreation. The scientific community has also utilized the park extensively for many fields of research.

In recognition of its globally significant values, Grand Canyon National Park has been designated as a World Heritage Site.

Park Headquarters Location

Park Headquarters is located in the community of Grand Canyon, Arizona, on the park's South Rim, 60 miles west of Cameron, Arizona, via Arizona State Route 64; 60 miles north of Williams, Arizona, via Arizona State Route 64; and 85 miles northwest of Flagstaff, Arizona, via U.S. Highway 180.

Legislated Purpose and Significance of Park

On January 11, 1908, President Theodore Roosevelt reserved land in the Grand Canyon of Arizona as the Grand Canyon National Monument by presidential proclamation. In his proclamation, President Roosevelt stated that the Grand Canyon of Arizona "is an object of unusual scientific interest, being the greatest eroded canyon in the United States, and it appears that the public interest would be promoted by reserving it as a National Monument" (Proclamation No. 794).

On February 26, 1919, Congress dedicated and set apart Grand Canyon National Park "as a public park for the benefit and enjoyment of the people" (Grand Canyon National Park Establishment Act, 40 Stat 1175).

*** Grand Canyon National Park ***
*** Intermountain Region - National Park Service ***

Over the years the park has been enlarged and its boundaries revised, most recently on January 3, 1975, when Congress recognized “that the entire Grand Canyon, from the mouth of the Paria River to the Grand Wash Cliffs, including tributary side canyons and surrounding plateaus, is a natural feature of national and international significance” (Grand Canyon National Park Enlargement Act, Public Law 93-620). In this act, Congress also recognized the need for “further protection and interpretation of the Grand Canyon in accordance with its true significance.”

These legislative statements, in addition to the NPS Organic Act, as amended, effectively provide the foundation upon which park management is based. Management seeks to protect the natural and cultural resources of the park, while providing for “the benefit and enjoyment of the people” through resource-based interpretive programs and appropriate public and concessions facilities.

Compliance with Federal, State, and Local Laws and Park Jurisdiction

Grand Canyon National Park operates under the jurisdiction of the federal government. The park has concurrent jurisdiction with the State of Arizona.

Law enforcement is conducted by National Park Service (NPS) Rangers holding federal law enforcement commissions. These officers enforce Federal and state laws through the Act of June 25, 1948, the Assimilative Crimes Act. County and state law enforcement officers enter the park to enforce local and state law. The park has a memorandum of understanding, describing these law enforcement and mutual aid relationships, with the neighboring police department

Public health codes are prescribed by the United States Public Health Service (USPHS), and inspections are conducted in accordance with those codes. The USPHS inspects and supervises the operation of the park's water supply and sewage disposal systems.

National building codes apply to all construction and rehabilitation projects, except where state code is more stringent, in which case state code is applied. Construction may be undertaken only after the NPS issues a letter or permit to proceed and approves the plans involved.

Although operations are conducted on federal property, the concessioner is subject to state and local laws and ordinances in the same manner as if it operated outside of the federal holding. Business permits normally required must be secured, and taxes normally payable must be paid.

Fire Protection

Fire protection is provided to in-park structures by a volunteer fire department composed of NPS, concessioner and cooperator members under NPS direction. Amfac Resorts, LLC has maintained its own fire engine as part of that system. Grand Canyon National Park and Amfac Resorts, LLC work together to provide fire suppression to park structures.

Park Management Structure

Grand Canyon National Park is administered by its Superintendent, who is assisted by a staff of approximately 325 permanent and 100 seasonal personnel.

Many issues can be reviewed and decided at the park level; others, however, require review and/or approval at the regional or Washington level, and some require a process of public review prior to decision.

The Superintendent manages the total park operation, including concession operations. The Superintendent carries out the policies and directives of the NPS, including management of concessioners. Through NPS representatives, the Superintendent reviews, supervises, and coordinates concession activities related to Grand Canyon National Park.

Monitoring concession contract compliance includes oversight of all aspects of the concessioner's activities, including, without limitation, evaluating all concession operations and services, reviewing business operations, reviewing and authorizing all rates and operating seasons/hours, improvements to facilities, and construction.

The Management Assistant coordinates legislative and congressional affairs, partnerships and public affairs. The Public Information Officer, who works for the Management Assistant, coordinates public affairs, special events, VIP visits, informational briefings, and directs the park's commercial filming program. Both coordinate activities directly with the Concessioner.

The Chief, Concessions Program Management, (Chief) coordinates the functions of other NPS divisions relating to concession operations. The Chief makes recommendations on all aspects of the Concessioner's operation to the Superintendent. The Chief ensures necessary evaluations and inspections are performed, including those required by the United States Public Health Service (USPHS), Park Risk Management Officer, Structural Fire Program, Environmental Management Program and the Concessioner Review Program. The Chief ensures all Concessioner rates are approved based upon current comparability studies or applicable guidelines. The Chief acts as liaison between the Concessioner and Superintendent.

To support the Chief, Concessions Program Management, Concessions Management Specialists review and coordinate the Concessioner's day-to-day activities. They develop prospectuses and contracts. They review and evaluate operational and maintenance activities; rate, service, and schedule changes; equal employment opportunity and affirmative action plans; advertisements; construction proposals; environmental management; annual financial reports; insurance coverage; and any other contract requirements.

The Park Sanitarian monitors food and beverage services, grocery stores, solid waste disposal, water, and waste water systems to ensure adherence to all applicable public health standards.

The Deputy Superintendent supervises and manages the functions of all divisions except concessions, as they relate to the overall park operation.

The Park Risk Management Officer monitors the Concessioner's Risk Management Program to ensure it meets all applicable standards, and conducts an annual review of the Risk Management program.

The Chief Ranger initiates, reviews, supervises, and coordinates the activities of personnel who provide visitor protection functions.

District Rangers and Branch Chiefs serve as the direct line of communication to the Concessioner on matters related to fire management, law enforcement, risk management, prescribed fire, search and rescue, emergency medical services and resource protection. Division personnel may assist with concession operational evaluations and critical item follow-ups.

The Chief of Interpretation acts on behalf of the Superintendent in matters pertaining to interpretation and environmental education. The Interpretive Division works with the Concessions Management Division to evaluate/monitor and provide training as appropriate to Concessioner interpretive activities.

The Chief of Maintenance and Engineering acts on behalf of the Superintendent in matters pertaining to maintenance and supervises the activities of facility managers. The Chief of Maintenance acts on behalf of the Superintendent in matters pertaining to compliance with Applicable Environmental Laws.

Facility Managers and Maintenance Supervisors provide day-to-day supervision over all maintenance activities and operations, including utilities and hazard tree mitigation. They serve as the direct line of communications to the Concessioner on routine maintenance matters.

The Park Architect works directly with the Concessioner on historic preservation, rehabilitation of historic structures and all other construction/design/compliance matters in the park.

The Director of the Science Center acts on behalf of the Superintendent in all matters pertaining to natural and cultural resources management such as air quality monitoring, vegetation management, fish and wildlife management, etc.

The Park Compliance Officer works directly with the Concessioner to ensure compliance with natural, cultural and resource protection requirements.

The Park Curator serves as direct line of communication to the Concessioner about care, treatment and preservation of historic furnishings, decorative arts, etc.

The Chief of Administration acts on behalf of the Superintendent in matters related to fiscal management associated with the Concessioner activities, including billing for payment of franchise fees, utilities, lease fees, quarters rental, and personal services provided by the NPS to the Concessioner.

The Implementation Team Manager acts on behalf of the Superintendent in all matters pertaining to implementation of the General Management Plan, which includes scheduling, planning, review of site plans, design, construction, razing of buildings and restoration. The Team Manager has direct communication with the Concessioner on these matters.

Park Interpretive Themes and Goals

The mission of interpretation is to increase visitor understanding and appreciation of the significance of park resources. Interpretive services provide opportunities for people to forge their own intellectual and emotional connections to the ideas and meanings inherent in the resources of the park.

It is the goal of interpretation that park visitors and the general public understand and appreciate the preservation of parks and their resources for this and future generations.

Primary Parkwide Interpretive Themes for Grand Canyon National Park

- A. The immense and colorful Grand Canyon is valued worldwide as one of Earth's most powerful and inspiring scenic landscapes, offering people enriching opportunities to explore and experience its wild beauty in both vast and intimate spaces.
- B. Water is the lifeblood of Grand Canyon—a force of erosion, a sustainer of scarce riparian habitat in a desert environment, a spiritual element for native peoples, a provider of recreation, and a central factor in the exploration, development, and politics of the American West.
- C. The Colorado River and erosional forces sculpted the southern edge of the Colorado Plateau to form the Grand Canyon, revealing a beautiful sequence of rock layers that serve as windows into time.
- D. Extreme changes in elevation, exposure, and climate in the Grand Canyon support a remarkable range of biotic communities in unusual proximity; a relatively undisturbed ecosystem that allows natural processes to continue, providing sanctuary for present and future life.
- E. Grand Canyon remains a homeland and a sacred place to a number of American Indian cultures, a point of emergence to some, offering us an opportunity to consider the powerful and spiritual ties between people and place.
- F. Grand Canyon has sustained people materially and spiritually for thousands of years—wider recognition of its value led to its designation as a national park and world heritage site; however, continuing threats to its preservation generate dialogue about our need and responsibility to conserve our local and global environment.

PARK PLANNING DOCUMENTS AND PLANNED IMPROVEMENTS.

Recognizing that increasing visitation was producing strains on park infrastructure and resources, the National Park Service finalized a General Management Plan for Grand Canyon National Park in 1995. This plan is available in its entirety at <http://www.nps.gov/grca/gmp/index.htm>.

In its objectives for Grand Canyon National Park, the General Management Plan listed the following as desired conditions to be achieved:

International Significance

- Manage the park to preserve its integrity as a world heritage site with natural and cultural resources of national and international significance.

Natural and Cultural Resources

- Preserve, protect, and interpret the park's natural and scenic resources and values, and its ecological processes.
- Preserve, manage, and interpret park cultural resources (archeological, ethnographic, architectural, and historic resources, trails, and cultural landscapes) for the benefit of present and future generations.
- Preserve, protect, and improve air quality and related values such as visibility.
- Manage visitor use, development, and support services to protect the park's resources and values.
- Preserve and protect the genetic integrity and species composition within the park, consistent with natural ecosystem processes.
- To the maximum extent possible, restore altered ecosystems to their natural conditions. In managing naturalized ecosystems, ensure the preservation of native components through the active management of nonnative components and processes.
- Manage ecosystems to preserve critical processes and linkages that ensure the preservation of rare, endemic, and specially protected (threatened/endangered) plant and animal species.
- Protect the natural quiet and solitude of the park, and mitigate or eliminate the effects of activities causing excessive or unnecessary noise in, over, or adjacent to the park.
- Preserve natural spring and stream flows and water quality. Withdraw only the minimum water necessary to meet park purposes. To the maximum extent feasible, strive to meet increases in water demand by conserving and reusing water.
- Provide opportunities for scientific study and research focused on the Grand Canyon, consistent with resource protection and park purposes.
- Inventory, monitor, and maintain data on park natural and cultural resources and values, and utilize this information in the most effective ways possible to facilitate park management decisions to better preserve the park.
- Clearly delineate and maintain the park boundary to protect park resources and values.
- Identify and evaluate all cultural properties within the park for inclusion on the National Register of Historic Places.
- Collect ethnographic data and develop ethnohistories for the Havasupai, Hopi, Hualapai, Navajo, Southern Paiute, and Zuni peoples concerning their associations with the Grand Canyon, as appropriate, in order to preserve, protect, and interpret park resources and values important to diverse American Indian cultures, including significant, sacred, and traditional use areas.

Wilderness and Wild River Management

- Manage areas meeting the criteria for wilderness designation as wilderness. Actively pursue the designation of these lands as part of the national wilderness preservation system.
- Manage the Colorado River corridor through Grand Canyon National Park to protect and preserve the resource in a wild and primitive condition. Actively pursue the designation of eligible segments of the Colorado River and its tributaries as part of the national wild and scenic rivers system.

Visitor Experience

- Provide a diverse range of quality visitor experiences, as appropriate, based on the resources and values of the Grand Canyon, compatible with the protection of those resources and values.
- Provide access that is appropriate and consistent with the character and nature of each landscape unit and the desired visitor experience.
- Consistent with park purposes and the characteristics of each landscape unit, preserve and protect the maximum opportunities in every landscape unit of the park for visitors to experience the solitude, natural conditions, primitiveness, remoteness, and inspirational value of the Grand Canyon.
- Provide equal access to programs, activities, experiences, and recreational opportunities for individuals with disabilities, as appropriate and consistent with the levels of development and inherent levels of access in areas within the park.
- Provide a wide range of interpretive opportunities and information services to best assist, inform, educate, and challenge visitors.
- Educate and influence the public through positive action to preserve and protect the world they live in, including but not limited to the park.
- Provide a safe, efficient, and environmentally sensitive transportation system for visitors, employees, and residents, consistent with management zoning and resource considerations. Emphasize nonmotorized modes of transportation wherever feasible.
- Develop visitor use management strategies to enhance the visitor experience while minimizing crowding, conflicts, and resource impacts.
- Provide visitor and employee facilities and services, as necessary and appropriate, in or adjacent to areas dedicated to those uses or in appropriate disturbed areas.

Facility Design

- Consistent with its purpose, strive to make Grand Canyon National Park a model of excellence in sustainable design and management through such means as energy efficiency, conservation, compatibility with historic setting and architecture, recycling, accessibility, and the use of alternative energy sources.
- Encourage appropriate use and adaptive reuse of historic structures, while preserving historic integrity.
- Ensure that development and facilities within the park are necessary for park purposes.
- Design high-quality facilities that exemplify visual consistency and appropriateness.
- Ensure that park developments and operations do not adversely affect park resources and environments, except where absolutely necessary to provide reasonable visitor access and experiences.

Regional Issues

- Understand, assess, and consider the effects of park decisions outside the park as well as inside.

- Upon request, work cooperatively to assist local American Indians in planning, developing, and managing lands adjoining the park in a mutually compatible manner.
- Work cooperatively with appropriate entities to encourage compatible, aesthetic, and planned development and recreational opportunities outside park boundaries, and to provide information, orientation, and services to visitors.
- Carry the NPS concern for the environment beyond the boundaries of the park, including the protection of park resources and values from external influences.

South Rim Management Objectives

The South Rim is considered to be bounded on the west by Hermits Rest, on the east by Desert View, on the north by the canyon rim, and on the south by the park boundary. The following objectives for the South Rim are in addition to the overall park objectives.

Visitor Experience

- Identify and develop an appropriate range of visitor experiences, opportunities, and access that will accommodate a variety of visitor expectations, abilities, and commitment levels.
- Provide viewing opportunities of the canyon, access to views and trails, and interpretation and information, recognizing that these are the most important elements of the visitor experience on the South Rim.
- Maintain the South Rim from Hermits Rest to Desert View as the focus for the majority of visitor use in the park, including major visitor facilities and accommodations.

Cultural Resources

- Utilize the extensive cultural resources of the South Rim as a strong component of the interpretive program, including the interpretation of American Indian cultures.

Development

- Develop and promote the use of foot trails, bicycle paths, and public transportation to provide convenient and efficient movement of visitors, employees, and residents within Grand Canyon Village and between major points of interest.
- Maintain and enhance the meandering, rural character of West Rim and East Rim Drives, including the feeling that one is removed from the developments of Grand Canyon Village and Desert View. Maintain the existing large undisturbed areas along West Rim Drive.

Significant Changes Proposed in the General Management Plan

Substantial changes in the transportation system were proposed. Although vehicle restrictions are planned, no limit on the number of visitors is anticipated for the life of the General Management Plan (to the year 2010).

The General Management Plan proposes the following changes for the South Rim of Grand Canyon National Park:

- A transit system will provide transportation for all day visitors to the village area of the South Rim of the Grand Canyon within the term of this contract. Overnight visitors to lodges on the South Rim (except

for Yavapai) will park at the Maswik Transportation Center and be shuttled to their lodges. Yavapai overnight visitors will park in the Yavapai area.

- A new visitor information center—the Canyon View Information Plaza—opened in the fall of 2000, and will be a primary hub for the transit system.
- In addition to the expanded transit system, a greenway trail system for pedestrians and bicyclists is proposed from Hermits Rest to Desert View and from the Canyon View Information Plaza to Tusayan.
- The National Park Service will build a new warehouse and maintenance facility for its operations. This project has an estimated completion date of 11/1/02. Administrative and maintenance facilities for the South Rim concessioner will then be relocated to the current National Park Service facilities.
- A “Heritage Education Center” will be established in the historic district, using the historic powerhouse, mule barn, laundry, and other buildings. Five dormitories located in the Village area may be converted to economy lodging.

PARK MANAGEMENT OBJECTIVES FOR CONCESSION SERVICES

The need for commercial visitor services in Grand Canyon National Park is based on objectives for visitor use described in law, planning documents that exist for the park, and the judgment of management considering the way the park is currently used and the present objectives of the NPS.

The NPS has determined that the facilities and services that are called for in this Prospectus are necessary and appropriate to the purposes of Grand Canyon National Park.

UNITED STATES DEPARTMENT OF THE INTERIOR

NATIONAL PARK SERVICE

Grand Canyon National Park

South Rim
Accommodations, Facilities and Services

CONCESSION CONTRACT NUMBER CC-GRCA001-01

[Name of Concessioner]

[Address, including email address and phone number]

Doing Business As

Covering the Period

January 1, 2002 through December 31, 2011

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[CORPORATION]

THIS CONTRACT is made and entered into by and between the United States of America, acting in this matter by the Director of the National Park Service, through the Regional Director of the Intermountain Region, (hereinafter referred to as the “Director”), and _____, a corporation organized and existing under the laws of the State of _____ (hereinafter referred to as the “Concessioner”):

[PARTNERSHIP]

THIS CONTRACT is made and entered into by and between the United States of America, acting in this matter by the Director of the National Park Service, through the Regional Director of the Intermountain Region, hereinafter referred to as the “Director”, and _____, a partnership organized under the laws of the State of _____, hereinafter referred to as the “Concessioner”:

[SOLE PROPRIETORSHIP]

THIS CONTRACT made and entered into by and between the United States of America, acting in this matter by the Director of the National Park Service, through the Regional Director of the Intermountain Region, hereinafter referred to as the “Director,” and, _____, an individual, doing business as _____, hereinafter referred to as the “Concessioner”:

W I T N E S S E T H:

THAT WHEREAS, Grand Canyon National Park is administered by the Director as a unit of the National Park System to conserve the scenery and the natural and historic objects and the wildlife therein, and to provide for the public enjoyment of the same in such manner as will leave such Area unimpaired for the enjoyment of future generations; and

WHEREAS, to accomplish these purposes, the Director has determined that certain visitor services are necessary and appropriate for the public use and enjoyment of the Area and should be provided for the public visiting the Area; and

WHEREAS, the Director desires the Concessioner to establish and operate these visitor services at reasonable rates under the supervision and regulation of the Director; and

WHEREAS, the Director desires the Concessioner to conduct these visitor services in a manner that demonstrates sound environmental management, stewardship, and leadership;

NOW, THEREFORE, pursuant to the authority contained in the Acts of August 25, 1916 (16 U.S.C. 1, 2-4), and November 13, 1998 (Public Law 105-391), and other laws that supplement and amend the Acts, the Director and the Concessioner agree as follows:

SEC. 1. TERM OF CONTRACT

This Concession Contract No. CC-GRCA001-01 (“CONTRACT”) shall be effective as of January 1, 2002, and shall be for the term of 10 (ten) years until its expiration on December 31, 2011.

SEC. 2. DEFINITIONS

The following terms used in this CONTRACT will have the following meanings, which apply to both the singular and the plural forms of the defined terms:

(a) “Applicable Laws” means the laws of Congress governing the Area, including, but not limited to, the rules, regulations, requirements and policies promulgated under those laws (e.g., 36 CFR Part 51), whether now in force, or amended, enacted or promulgated in the future, including, without limitation, Federal, state and local laws, rules, regulations, requirements and policies governing nondiscrimination, protection of the environment and protection of public health and safety.

(b) “Area” means the property within the boundaries of Grand Canyon National Park.

(c) “Best Management Practices” or “BMPs” are policies and practices that apply the most current and advanced means and technologies available to the Concessioner to undertake and maintain a superior level of environmental performance reasonable in light of the circumstances of the operations conducted under this CONTRACT. BMPs are expected to change from time to time as technology evolves with a goal of sustainability of the Concessioner’s operations. Sustainability of operations refers to operations that have a restorative or net positive impact on the environment.

(d) “Capital Improvement” shall have the meaning set forth in Exhibit A to this CONTRACT.

(e) “Concession Facilities” shall mean all Area lands assigned to the Concessioner under this CONTRACT and all Real Property improvements assigned to or constructed by the Concessioner under this CONTRACT. The United States retains title and ownership to all Concession Facilities.

(f) “Days” shall mean calendar days.

(g) “Director” means the Director of the National Park Service, acting on behalf of the Secretary of the Interior and the United States, and his duly authorized representatives.

(h) “Exhibit” or “Exhibits” shall mean the various exhibits, which are attached to this CONTRACT, each of which is hereby made a part of this CONTRACT.

(i) “Gross receipts” means the total amount received or realized by, or accruing to, the Concessioner from all sales for cash or credit, of services, accommodations, materials, and other merchandise made pursuant to the rights granted by this CONTRACT, including gross receipts of subconcessioners as herein defined, commissions earned on contracts or agreements with other persons or companies operating in the Area, and gross receipts earned from electronic media sales, but excluding:

- (1) intracompany earnings on account of charges to other departments of the operation (such as laundry);
- (2) charges for employees' meals, lodgings, and transportation;
- (3) cash discounts on purchases;
- (4) cash discounts on sales;
- (5) returned sales and allowances;
- (6) interest on money loaned or in bank accounts;
- (7) income from investments;
- (8) income from subsidiary companies outside of the Area;
- (9) sale of property other than that purchased in the regular course of business for the purpose of resale;
- (10) sales and excise taxes that are added as separate charges to sales prices, gasoline taxes, fishing license fees, and postage stamps, provided that the amount excluded shall not exceed the amount actually due or paid government agencies;
- (11) receipts from the sale of handicrafts that have been approved for sale by the Director as constituting authentic American Indian, Alaskan Native, Native Samoan, or Native Hawaiian handicrafts.

All monies paid into coin operated devices, except telephones, whether provided by the Concessioner or by others, shall be included in gross receipts. However, only revenues actually received by the Concessioner from coin-operated telephones shall be included in gross receipts. All revenues received from charges for in-room telephone or computer access shall be included in gross receipts.

(j) "Gross receipts of subconcessioners" means the total amount received or realized by, or accruing to, subconcessioners from all sources, as a result of the exercise of the rights conferred by a subconcession contract. A subconcessioner will report all of its gross receipts to the Concessioner without allowances, exclusions, or deductions of any kind or nature.

(k) "Leasehold Surrender Interest" shall have the meaning set forth in Exhibit A to this CONTRACT.

(l) "Leasehold Surrender Interest Value" or the "value" of a Leasehold Surrender Interest shall have the meaning set forth in Exhibit A to this CONTRACT.

(m) "Major Rehabilitation" shall have the meaning set forth in Exhibit A to this CONTRACT.

(n) "Possessory Interest" shall have the meaning set forth in Exhibit A to this CONTRACT.

- (o) “Real Property Improvements” shall have the meaning set forth in Exhibit A to this CONTRACT.
- (p) “Historic Personal Property” is certain personal property owned by the Concessioner that is intrinsic to the historic and cultural values of the area and related concession operations. Some items are, in themselves, artistic, historic or cultural artifacts.
- (q) “Subconcessioner” means a third party that, with the approval of the Director, has been granted by a concessioner rights to operate under a concession contract (or any portion thereof), whether in consideration of a percentage of revenues or otherwise.
- (r) “Superintendent” means the manager of the Area.
- (s) “Visitor Services” means the accommodations, facilities and services that the Concessioner is required and/or authorized to provide by Section 3(a) of this CONTRACT.

SEC. 3. SERVICES AND OPERATIONS

(a) Required and Authorized Visitor Services

During the term of this Contract, the Director requires and authorizes the Concessioner to provide the following visitor services for the public within the Area:

(1) Required Visitor Services: The Concessioner is required to provide the following visitor services during the term of this Contract:

1.	Overnight Accommodations	Number of Rooms	Lodging Type
	El Tovar Hotel	78	Deluxe hotel rooms
	Kachina/Thunderbird Lodges	104	Deluxe motel rooms
	Bright Angel Complex		
	Bucky/Powell Motel	39	Rustic rooms
	(with and without bath)		
	Historic cabins	35	Mid-scale cabins
	Rim Cabins	15	Deluxe cabins
	Maswik Complex		
	Maswik Lodge North	160	Mid-scale motel rooms
	Maswik Lodge South	90	Economy motel rooms
	Maswik Quad Cabins	28	Economy cabins
	Yavapai Complex		
	Yavapai East	198	Mid-scale motel rooms
	Yavapai West	160	Economy motel rooms
	Phantom Ranch		
	Cabins without bath	11	Rustic
	Dormitories (10-person, same gender occupancy)	4	Rustic
2.	Food and Beverage Service		

a. Food Service

Location	Seats	Meals served	Type of dining
El Tovar Hotel	250	B,L,D	Gourmet/Fine Dining Restaurant
Arizona Room	120	L,D	Restaurant
Bright Angel Dining	120	B,L,D	Full Service Coffee Shop
Bright Angel Fountain	0	Snacks	Limited Snack Bar
Maswik Cafeteria	395	B,L,D	Cafeteria
Yavapai Cafeteria	475	B,L,D	Cafeteria
Phantom Ranch	44	B,D, box lunches	Rustic Family Service
Desert View Trading Post	30	B,L,D	Snack Bar
Hermits Rest	0	Snacks	Limited Snack Bar

b. Lounge Service

- El Tovar Hotel 72 seats
- Arizona Room 20 seats
- Bright Angel Lodge 80 seats
- Maswik Lodge 78 seats

c. Transportation/Visitor Information Desks

- Bright Angel Lodge
- Yavapai Lodge
- Maswik Lodge

d. Concierge Services

- El Tovar

3. General Merchandise

- El Tovar Gift Shop and News Stand
- Bright Angel Lodge Gift Shop
- Maswik Lodge Gift Shop
- Yavapai Lodge Gift Shop
- Desert View Trading Post Gift Shop
- Desert View Watchtower Gift Shop
- Hermits Rest Gift Shop
- Lookout Studio Gift Shop
- Hopi House Gift Shop

4. Transportation Services

- Scheduled Bus Tours
- Step-on Guide Services
- 24-hour Taxi Service within South Rim and Tusayan.

5. Automobile Services

- Desert View Service Station

- 24-hour Tiltbed Towing Service with road-side repair service
 - Locksmithing services
 - 24-hour Credit Card fueling access at Desert View Service Station
6. Mule Operations
- Plateau Point Mule Rides
 - Phantom Ranch Mule Rides
 - Duffel Service: Transport of soft-sided luggage to and from Phantom Ranch
 - Dragout Service: Emergency evacuation of visitors from the inner canyon by mule
7. Kennels for cats and dogs
8. Camper Services
- Laundromat
 - Showers
9. Trailer Village
- RV campground 70 sites
10. Reservation System. In its reservation system, the concessioner will implement a toll-free number.
11. Other
- Limited Vending
 - Interpretive Programs
 - Community Support
 - Pay Phones

At any time after December 31, 2003, the National Park Service intends to withdraw transportation and kennel services from this Contract, upon reasonable notice to the Concessioner, and compete them as a separate business opportunity.

(b) Operation and Quality of Operation

(1) The Concessioner shall provide, operate and maintain the required and authorized visitor services and any related support facilities and services in accordance with this CONTRACT to such an extent and in a manner considered satisfactory by the Director. Except for any such items that may be provided to the Concessioner by the Director, the Concessioner shall provide the plant, personnel, equipment, goods, and commodities necessary for providing, operating and maintaining the required and authorized visitor services in accordance with this CONTRACT. The Concessioner's authority to provide visitor services under the terms of this CONTRACT is non-exclusive.

(2) The following Support Services are required:

- Employee Cafeteria at Bright Angel Lodge
- Employee Housing
- Long term trailer village for NPS, Concession and cooperator employees only 86 sites

- Long term trailer village for NPS, Concession and cooperator employees only at Pinyon Park – 39 sites
- Employee Shuttle
- Operation of Community Recreation Center

(c) Operating Plan

The Director, acting through the Superintendent, shall establish and revise, as necessary, specific requirements for the operations of the Concessioner under this CONTRACT in the form of an Operating Plan (including, without limitation, a risk management program, that must be adhered to by the Concessioner). The initial Operating Plan is attached to this CONTRACT as Exhibit B. The Director in his discretion, after consultation with the Concessioner, may make reasonable modifications to the initial Operating Plan that are in furtherance of the purposes of this CONTRACT and are not inconsistent with the terms and conditions of the main body of this CONTRACT.

(d) Merchandise and Services

- (1) The Director reserves the right to determine and control the nature, type and quality of the visitor services described in this CONTRACT, including, but not limited to, the nature, type, and quality of merchandise, to be sold or provided by the Concessioner within the Area.
- (2) All promotional material, regardless of media format (i.e. printed, electronic, broadcast media), provided to the public by the Concessioner in connection with the services provided under this CONTRACT must be approved in writing by the Director prior to use. All such material will identify the Concessioner as an authorized Concessioner of the National Park Service, Department of the Interior.
- (3) The Concessioner, where applicable, will develop and implement a plan satisfactory to the Director that will ensure that gift merchandise, if any, to be sold or provided reflects the purpose and significance of the Area, including, but not limited to, merchandise that reflects the conservation of the Area's resources or the Area's geology, wildlife, plant life, archaeology, local Native American culture, local ethnic culture, and historic significance.

(e) Rates

All rates and charges to the public by the Concessioner for visitor services shall be reasonable and appropriate for the type and quality of facilities and/or services required and/or authorized under this CONTRACT. The Concessioner's rates and charges to the public must be approved by the Director in accordance with Applicable Laws and guidelines promulgated by the Director from time to time.

(f) Impartiality as to Rates and Services

- (1) Subject to Section (f)(2) and (f)(3), in providing visitor services, the Concessioner must require its employees to observe a strict impartiality as to rates and services in all circumstances. The Concessioner shall comply with all Applicable Laws relating to nondiscrimination in providing visitor services to the public including, without limitation, those set forth in Exhibit C.

(2) The Concessioner may grant complimentary or reduced rates under such circumstances as are customary in businesses of the character conducted under this CONTRACT. However, the Director reserves the right to review and modify the Concessioner's complimentary or reduced rate policies and practices as part of its rate approval process.

(3) The Concessioner will provide Federal employees conducting official business reduced rates for lodging, essential transportation and other specified services necessary for conducting official business in accordance with guidelines established by the Director. Complimentary or reduced rates and charges shall otherwise not be provided to Federal employees by the Concessioner except to the extent that they are equally available to the general public.

SEC. 4. CONCESSIONER PERSONNEL

(a) Employees

(1) The Concessioner shall provide all personnel necessary to provide the visitor services required and authorized by this CONTRACT.

(2) The Concessioner shall comply with all Applicable Laws relating to employment and employment conditions, including, without limitation, those set forth in Exhibit C.

(3) The Concessioner shall ensure that its employees are hospitable and exercise courtesy and consideration in their relations with the public. The Concessioner shall have its employees who come in direct contact with the public, so far as practicable, wear a uniform or badge by which they may be identified as the employees of the Concessioner.

(4) The Concessioner shall establish pre-employment screening, hiring, training, employment, termination and other policies and procedures for the purpose of providing visitor services through its employees in an efficient and effective manner and for the purpose of maintaining a healthful, law abiding, and safe working environment for its employees. The Concessioner shall conduct appropriate background reviews of applicants to whom an offer for employment may be extended to assure that they conform to the hiring policies established by the Concessioner.

(5) The Concessioner shall ensure that its employees are provided the training needed to provide quality visitor services and to maintain up-to-date job skills.

(6) The Concessioner shall review the conduct of any of its employees whose action or activities are considered by the Concessioner or the Director to be inconsistent with the proper administration of the Area and enjoyment and protection of visitors and shall take such actions as are necessary to correct the situation.

(7) The Concessioner shall maintain, to the greatest extent possible, a drug free environment, both in the workplace and in any Concessioner employee housing within the Area.

(8) The Concessioner shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and in

the Area, and specifying the actions that will be taken against employees for violating this prohibition. In addition, the Concessioner shall establish a drug-free awareness program to inform employees about the danger of drug abuse in the workplace and the Area; the availability of drug counseling, rehabilitation and employee assistance programs; and the Concessioner's policy of maintaining a drug-free environment both in the workplace and in the Area.

(9) The Concessioner shall take appropriate personnel action, up to and including termination or requiring satisfactory participation in a drug abuse or rehabilitation program which is approved by a Federal, State, or local health, law enforcement or other appropriate agency, for any employee that is found to be in violation of the prohibition on the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

(b) Employee Housing and Recreation

(1) If the Concessioner is required to provide employee housing under this CONTRACT, the Concessioner's charges to its employees for this housing must be reasonable.

(2) If the visitor services required and/or authorized under this CONTRACT are located in a remote or isolated area, the Concessioner shall provide appropriate employee recreational activities.

SEC. 5. LEGAL, REGULATORY, AND POLICY COMPLIANCE

(a) Legal, Regulatory and Policy Compliance

This CONTRACT, operations thereunder by the Concessioner and the administration of it by the Director, shall be subject to all Applicable Laws. The Concessioner must comply with all Applicable Laws in fulfilling its obligations under this CONTRACT at the Concessioner's sole cost and expense. Certain Applicable Laws governing protection of the environment are further described in this CONTRACT. Certain Applicable Laws relating to nondiscrimination in employment and providing accessible facilities and services to the public are further described in this CONTRACT.

(b) Notice

The Concessioner shall give the Director immediate written notice of any violation of Applicable Laws by the Concessioner, including its employees, agents or contractors, and, at its sole cost and expense, must promptly rectify any such violation.

(c) How and Where to Send Notice

All notices required by this CONTRACT shall be in writing and shall be served on the parties at the following addresses. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service. Notices sent to the Director shall be sent to the following address:

Superintendent
Grand Canyon National Park
P.O. Box 129

Grand Canyon, AZ 86023
Attention: Chief, Concessions Management

Notices sent to the Concessioner shall be sent to the following address:

Concessioner
Address
Attention:

SEC. 6. ENVIRONMENTAL AND CULTURAL PROTECTION

(a) Environmental Management Objectives

The Concessioner shall meet the following environmental management objectives (hereinafter "Environmental Management Objectives") in the conduct of its operations under this CONTRACT:

- (1) The Concessioner, including its employees, agents and contractors, shall comply with all Applicable Laws pertaining to the protection of human health and the environment.
- (2) The Concessioner shall incorporate Best Management Practices (BMPs) in its operation, construction, maintenance, acquisition, provision of visitor services, and other activities under this CONTRACT.

(b) Environmental Management Program

- (1) The Concessioner shall develop, document, implement, and comply fully with, to the satisfaction of the Director, a comprehensive written Environmental Management Program (EMP) to achieve the Environmental Management Objectives. The initial EMP shall be developed and submitted to the Director for approval within sixty days of the effective date of this CONTRACT. The Concessioner shall submit to the Director for approval a proposed updated EMP annually.
- (2) The EMP shall account for all activities with potential environmental impacts conducted by the Concessioner or to which the Concessioner contributes. The scope and complexity of the EMP may vary based on the type, size and number of Concessioner activities under this CONTRACT.
- (3) The EMP shall include, without limitation, the following elements:
 - (i) Policy. The EMP shall provide a clear statement of the Concessioner's commitment to the Environmental Management Objectives.
 - (ii) Goals and Targets. The EMP shall identify environmental goals established by the Concessioner consistent with all Environmental Management Objectives. The EMP shall also identify specific targets (i.e. measurable results and schedules) to achieve these goals.
 - (iii) Responsibilities and Accountability. The EMP shall identify environmental responsibilities for Concessioner employees and contractors. The EMP shall include the designation of an environmental

program manager. The EMP shall include procedures for the Concessioner to implement the evaluation of employee and contractor performance against these environmental responsibilities.

(iv) Documentation. The EMP shall identify plans, procedures, manuals, and other documentation maintained by the Concessioner to meet the Environmental Management Objectives.

(v) Documentation Control and Information Management System. The EMP shall describe (and implement) document control and information management systems to maintain knowledge of Applicable Laws and BMPs. In addition, the EMP shall identify how the Concessioner will manage environmental information, including without limitation, plans, permits, certifications, reports, and correspondence.

(vi) Reporting. The EMP shall describe (and implement) a system for reporting environmental information on a routine and emergency basis, including providing reports to the Director under this CONTRACT.

(vii) Communication. The EMP shall describe how the environmental policy, goals, targets, responsibilities and procedures will be communicated throughout the Concessioner's organization.

(viii) Training. The EMP shall describe the environmental training program for the Concessioner, including identification of staff to be trained, training subjects, frequency of training and how training will be documented.

(ix) Monitoring, Measurement, and Corrective Action. The EMP shall describe how the Concessioner will comply with the EMP and how the Concessioner will self-assess its performance under the EMP, at least annually, in a manner consistent with NPS protocol regarding audit of NPS operations. The self-assessment should ensure the Concessioner's conformance with the Environmental Management Objectives and measure performance against environmental goals and targets. The EMP shall also describe procedures to be taken by the Concessioner to correct any deficiencies identified by the self-assessment.

(c) Environmental Performance Measurement

The Concessioner shall be evaluated by the Director on its environmental performance under this CONTRACT, including, without limitation, compliance with the approved EMP, on at least an annual basis.

(d) Environmental Data, Reports, Notifications, and Approvals

(1) Inventory of Hazardous Substances and Inventory of Waste Streams. The Concessioner shall submit to the Director, at least annually, an inventory of Federal Occupational Safety and Health Administration (OSHA) designated hazardous chemicals used and stored in the Area by the Concessioner. The Director may prohibit the use of any OSHA hazardous chemical by the Concessioner in operations under this CONTRACT. The Concessioner shall obtain the Director's approval prior to using any extremely hazardous substance, as defined in the Emergency Planning and Community Right to Know Act of 1986, in operations under this CONTRACT. The Concessioner shall also submit to the Director, at least annually, an inventory of all waste streams generated by the Concessioner under this CONTRACT. Such

inventory shall include any documents, reports, monitoring data, manifests, and other documentation required by Applicable Laws regarding waste streams.

(2) Reports. The Concessioner shall submit to the Director copies of all documents, reports, monitoring data, manifests, and other documentation required under Applicable Laws to be submitted to regulatory agencies. The Concessioner shall also submit to the Director any environmental plans for which coordination with Area operations are necessary and appropriate, as determined by the Director in accordance with Applicable Laws.

(3) Notification of Releases. The Concessioner shall give the Director immediate written notice of any discharge, release or threatened release (as these terms are defined by Applicable Laws) within or at the vicinity of the Area, (whether solid, semi-solid, liquid or gaseous in nature) of any hazardous or toxic substance, material, or waste of any kind, including, without limitation, building materials such as asbestos, or any contaminant, pollutant, petroleum, petroleum product or petroleum by-product.

(4) Notice of Violation. The Concessioner shall give the Director in writing immediate notice of any written threatened or actual notice of violation from other regulatory agencies of any Applicable Law arising out of the activities of the Concessioner, its agents or employees.

(5) Communication with Regulatory Agencies. The Concessioner shall provide timely written advance notice to the Director of communications, including without limitation, meetings, audits, inspections, hearings and other proceedings, between regulatory agencies and the Concessioner related to compliance with Applicable Laws concerning operations under this CONTRACT. The Concessioner shall also provide to the Director any written materials prepared or received by the Concessioner in advance of or subsequent to any such communications. The Concessioner shall allow the Director to participate in any such communications. The Concessioner shall also provide timely notice to the Director following any unplanned communications between regulatory agencies and the Concessioner.

(e) Corrective Action

(1) The Concessioner, at its sole cost and expense, shall promptly control and contain any discharge, release or threatened release, as set forth in this Section, or any threatened or actual violation, as set forth in this Section, arising in connection with the Concessioner's operations under this CONTRACT, including, but not limited to, payment of any fines or penalties imposed by appropriate agencies. Following the prompt control or containment of any release, discharge or violation, the Concessioner shall take all response actions necessary to remediate the release, discharge or violation, and to protect human health and the environment.

(2) Even if not specifically required by Applicable Laws, the Concessioner shall comply with directives of the Director to clean up or remove any materials, product or by-product used, handled, stored, disposed, or transported onto or into the Area by the Concessioner to ensure that the Area remains in good condition.

(f) Indemnification and Cost Recovery for Concessioner Environmental Activities

(1) The Concessioner shall indemnify the United States in accordance with Section 12 of this CONTRACT from all losses, claims, damages, environmental injuries, expenses, response costs,

allegations or judgments (including, without limitation, fines and penalties) and expenses (including, without limitation, attorneys fees and experts' fees) arising out of the activities of the Concessioner, its employees, agents and contractors pursuant to this Section. Such indemnification shall survive termination or expiration of this CONTRACT.

(2) If the Concessioner does not promptly contain and remediate an unauthorized discharge or release arising out of the activities of the Concessioner, its employees, agents and contractors, as set forth in this Section, or correct any environmental self-assessment finding of non-compliance, in full compliance with Applicable Laws, the Director may, in its sole discretion and after notice to the Concessioner, take any such action consistent with Applicable Laws as the Director deems necessary to abate, mitigate, remediate, or otherwise respond to such release or discharge, or take corrective action on the environmental self-assessment finding. The Concessioner shall be liable for and shall pay to the Director any costs of the Director associated with such action upon demand. Nothing in this Section shall preclude the Concessioner from seeking to recover costs from a responsible third party.

(g) Weed and Pest Management

The Concessioner shall be responsible for managing weeds, and through an integrated pest management program, harmful insects, rats, mice and other pests on Concession Facilities assigned to the Concessioner under this CONTRACT. All such weed and pest management activities shall be in accordance with Applicable Laws and guidelines established by the Director.

(h) Protection of Cultural and Archaeological Resources.

The Concessioner shall ensure that any protected sites and archaeological resources within the Area are not disturbed or damaged by the Concessioner, including the Concessioner's employees, agents and contractors, except in accordance with Applicable Laws, and only with the prior approval of the Director. Discoveries of any archaeological resources by the Concessioner shall be promptly reported to the Director. The Concessioner shall cease work or other disturbance which may impact any protected site or archaeological resource until the Director grants approval, upon such terms and conditions as the Director deems necessary, to continue such work or other disturbance.

SEC. 7. INTERPRETATION OF AREA RESOURCES

(a) Concessioner Obligations

(1) The Concessioner shall provide all visitor services in a manner that is consistent with and supportive of the interpretive themes, goals and objectives of the Area as reflected in Area planning documents, mission statements and/or interpretive prospectuses.

(2) The Concessioner may assist in Area interpretation at the request of the Director to enhance visitor enjoyment of the Area. Any additional visitor services that may result from this assistance must be recognized in writing through written amendment of Section 3 of this CONTRACT.

(3) The Concessioner is encouraged to develop interpretive materials or means to educate visitors about environmental programs or initiatives implemented by the Concessioner.

(b) Director Review of Content

The Concessioner must submit the proposed content of any interpretive programs, exhibits, displays or materials, regardless of media format (i.e. printed, electronic, or broadcast media), to the Director for review and approval prior to offering such programs, exhibits, displays or materials to Area visitors.

SEC. 8. CONCESSION FACILITIES USED IN OPERATION BY THE CONCESSIONER

(a) Assignment of Concession Facilities

(1) The Director hereby assigns the following Concession Facilities to the Concessioner for the purposes of this CONTRACT:

- (i) certain parcels of Area land as described in Exhibit D upon which, among other matters, the Concessioner may be authorized to construct Real Property; and
- (ii) certain Real Property improvements described in Exhibit D in existence as of the effective date of this CONTRACT, as may be modified from time to time to include additional Real Property improvements completed in accordance with the terms and conditions of this CONTRACT.

(2) The Director shall from time to time amend Exhibit D to reflect changes in Concession Facilities assigned to the Concessioner, including, without limitation, amend Exhibit D to reflect the addition of Real Property improvements completed in accordance with the terms and conditions of this CONTRACT and to reflect the withdrawal of concession facilities as set forth below.

(b) Concession Facilities Withdrawals

The Director may withdraw all or portions of these Concession Facilities assignments at any time during the term of this CONTRACT if:

- (1) the withdrawal is necessary for the purpose of conserving, preserving or protecting Area resources or visitor enjoyment or safety;
- (2) the operations utilizing the assigned Concession Facilities have been terminated or suspended by the Director; or
- (3) land or Real Property improvements assigned to the Concessioner are no longer necessary for the concession operation.

(c) Effect of Withdrawal

Any permanent withdrawal of assigned Concession Facilities which the Director or the Concessioner considers to be essential for the Concessioner to provide the visitor services required by this CONTRACT will be treated as a termination of this CONTRACT pursuant to Section 16. The

Concessioner will be compensated pursuant to Section 17 for the value of any Leasehold Surrender Interest it may have, if any, in permanently withdrawn Concession Facilities. No other compensation is due the Concessioner in these circumstances.

(d) Right of Entry

The Director shall have the right at any time to enter upon or into the Concession Facilities assigned to the Concessioner under this CONTRACT for any purpose he may deem necessary for the administration of the Area.

(e) Personal Property

(1) Personal Property Provided by the Concessioner. The Concessioner shall provide all personal property, including without limitation removable equipment, furniture and goods, necessary for its operations under this CONTRACT, unless such personal property is provided by the Director as set forth in subsection (e)(3).

2) Historic Personal Property Provided by the Concessioner. The Concessioner will provide certain existing property of historic or other significance, as described in Exhibit J. This Historic Personal Property is intrinsic to the historic and cultural values of the Area, and may include artistic, historic or cultural artifacts. The Concessioner shall be responsible for maintaining this Historic Personal Property as necessary to keep it in service, available to the public, and in good and operable condition. At the expiration or other termination of this contract, such Historic Personal Property shall be transferred to the successor concessioner, as designated by the Director, upon payment of its book value. In the event any of the items listed in Exhibit J are determined to be part of the realty, they will be transferred to a successor concessioner as part of the realty in accordance with Exhibit A to this CONTRACT.

(3) Personal Property Provided by the Government. The Director may provide certain items of government personal property, including without limitation removable equipment, furniture and goods, for the Concessioner's use in the performance of this CONTRACT. The Director hereby assigns government personal property listed in Exhibit E to the Concessioner as of the effective date of this CONTRACT. This Exhibit E will be modified from time to time by the Director as items may be withdrawn or additional items added. The Concessioner shall be accountable to the Director for the government personal property assigned to it and shall be responsible for maintaining the property as necessary to keep it in good and operable condition. If the property ceases to be serviceable, it shall be transferred to the Director for disposition.

(f) Condition of Concession Facilities

The Concessioner has inspected the Concession Facilities and any assigned government personal property, is thoroughly acquainted with their condition, and accepts the Concession Facilities, and any assigned government personal property, "as is."

(g) Utilities Provided by the Director.

The Director may provide utilities to the Concessioner for use in connection with the operations required or authorized hereunder when available and at rates to be determined in accordance with Applicable Laws.

(h) Utilities not Provided by the Director

If the Director does not provide utilities to the Concessioner, the Concessioner shall, with the written approval of the Director and under any requirements that the Director shall prescribe, secure necessary utilities at its own expense from sources outside the Area or shall install the utilities within the Area with the written permission of the Director, subject to the following conditions:

- (1) Any water rights deemed necessary by the Concessioner for use of water on Area or other Federal lands must be acquired at the Concessioner's expense in accordance with applicable State procedures and law. Upon expiration or termination of this CONTRACT for any reason, the Concessioner must assign these water rights to the United States without compensation, and these water rights will become the property of the United States;
- (2) If requested by the Director, the Concessioner must provide to the Director any utility service provided by the Concessioner under this Section to such extent as will not unreasonably restrict anticipated use by the Concessioner. Unless otherwise agreed by the Concessioner and the Director in writing, the rate per unit charged the Director for such service shall be approximately the average cost per unit of providing such service; and
- (3) All appliances and machinery to be used in connection with the privileges granted in this subsection, as well as the plans for location and installation of such appliances and machinery, shall first be approved by the Director.

SEC. 9. CONSTRUCTION OR INSTALLATION OF REAL PROPERTY IMPROVEMENTS

(a) Construction of Real Property Improvements

The Concessioner may construct or install upon lands assigned to the Concessioner under this CONTRACT only those Real Property improvements that are determined by the Director to be necessary and appropriate for the conduct by the Concessioner of the visitor services required and/or authorized under this CONTRACT. Construction or installation of Real Property improvements may occur only after the written approval by the Director of their location, plans, and specifications. The form and content of the application and the procedures for such approvals, as may be modified by the Director from time to time, are set forth in Exhibit F. All Real Property improvements constructed or installed by the Concessioner will immediately become the property of the United States and be considered Concession Facilities.

(b) Removal of Real Property Improvements

- (1) The Concessioner may not remove, dismantle, or demolish Real Property improvements in the Area without the prior approval of the Director.

(2) Any salvage resulting from the authorized removal, severance or demolition of a Real Property improvement within the Area shall be the property of the United States.

(3) In the event that an assigned Real Property improvement is removed, abandoned, demolished, or substantially destroyed and no other improvement is constructed on the site, the Concessioner, at its expense, shall promptly, upon the request of the Director, restore the site as nearly as practicable to its original condition.

(c) Leasehold Surrender Interest

(1) This CONTRACT hereby provides the Concessioner, subject to all applicable definitions, requirements and limitations of this CONTRACT and Exhibit A, a Leasehold Surrender Interest in Capital Improvements constructed by the Concessioner under the terms of this CONTRACT, including, but not limited to, those Capital Improvements constructed as part of the Concession Facilities Improvement Program and those Capital Improvements which result from the Major Rehabilitation of an existing Real Property improvement. Upon completion of a Major Rehabilitation by the Concessioner, an existing Real Property improvement assigned to the Concessioner in which the Concessioner had no Leasehold Surrender Interest prior to the Major Rehabilitation shall be considered as a Capital Improvement for all purposes of this CONTRACT.

(2) This CONTRACT may provide the Concessioner a Leasehold Surrender Interest in Real Property improvements resulting from possessory interest obtained under the terms of a possessory interest concession contract. Exhibit G describes the Real Property improvements, if any, in which the Concessioner has such a Leasehold Surrender Interest and states the value of this Leasehold Surrender Interest as of the effective date of this CONTRACT.

(3) The Concessioner shall not obtain Leasehold Surrender Interest under this CONTRACT except as may be provided in Exhibit A and Exhibit F. Among other matters, no Leasehold Surrender Interest shall be obtained as a result of expenditures from the Repair and Maintenance Reserve described in this CONTRACT, and this CONTRACT does not provide a Leasehold Surrender Interest as a result of expenditures for repair and maintenance of Concession Facilities of any nature.

(d) Concession Facilities Improvement Program

(1) The Concessioner shall undertake and complete an improvement program (hereinafter "Concession Facilities Improvement Program") costing not more than \$8.5 million , as adjusted for each project to reflect par value in the year of actual construction in accordance with the appropriate indexes of the Department of Labor's CPI-U Index, as published by the Department of Labor.

(2) The Concession Facilities Improvement Program shall include, subject to final decisions to be made after environmental and/or historic compliance:

LOCATION	PROJECT	ESTIMATED COST OF PROJECT	APPROX START DATE
Desert View Employee Housing	12 x 2-bedroom apartments	\$1,962,300	Jan-02

Desert View Employee Housing	20 x 1-bedroom apartments	\$952,840	Jan-02
South Rim Historic District	Relocate concessioner maintenance facility	\$175,000	Jan-03
Desert View Service Station	Renovate structure, enlarge restrooms, convert pumps to 24-hour	\$188,000	Jan-02
Desert View Watchtower	Renovation	\$817,250	Jan-03
Desert View	Design and construct new Desert View Trading Post	\$703,710	Jan-03
Desert View	Demolish existing Desert View Trading Post	\$26,808	Jan-03
South Rim Village Historic Area	Remodel auto shop at rear of General Offices	\$1,787,880	Jul-04
Bright Angel Lodge	Renovation of Restaurant, Lobby & exterior	\$911,050	Jul-05
Bright Angel Lodge	Renovate Buckey O'Neill Suite and Red Horse Cabin	\$72,000	Jul-05
South Rim Village Historic Area	Demolish Shirley Hall	\$48,000	Jul-05
Hermits Rest	Renovation, including replacement of storage building and septic system	\$451,575	Jan-07
NPS Building One	Renovation	\$376,640	Jan-07
Total Anticipated Cost		\$8,473,053	

(3) The Concessioner shall commence construction under the Concession Facilities Improvement Program on or before January 1, 2002 in a manner that demonstrates to the satisfaction of the Director that the Concessioner is in good faith carrying the Concession Facilities Improvement Program forward reasonably under the circumstances. No construction may begin until the Concessioner receives written approval from the Director of plans and specifications in accordance with Exhibit F. During the period of construction, the Concessioner shall provide the Director with such evidence or documentation, as may be satisfactory to the Director, to demonstrate that the Concession Facilities Improvement Program duly is being carried forward. In the event the Concessioner is unable to construct all of the above projects within the \$8.5 million budget or certain projects do not gain final approval from the Director, the project list and/or specific projects will be modified or amended as necessary to reflect such changes and the full expenditure of the \$8.5 million budget. The amendments will reflect the list above, which is in priority order.

(4) The Concessioner shall complete and have the Real Property improvements available for public use on or before January 1, 2005. The Director may extend this date in circumstances where the Director determines that the delay resulted from events beyond the control of the Concessioner.

SEC. 10. MAINTENANCE

(a) Maintenance Obligation

The Concessioner shall be solely responsible for maintenance, repairs, housekeeping, and groundskeeping for all Concession Facilities to the satisfaction of the Director.

(b) Maintenance Plan

For these purposes, the Director, acting through the Superintendent, shall undertake appropriate inspections, and shall establish and revise, as necessary, a Maintenance Plan consisting of specific maintenance requirements which shall be adhered to by the Concessioner. The initial Maintenance Plan is set forth in Exhibit H. The Director in his discretion may make reasonable modifications to the Maintenance Plan from time to time after consultation with the Concessioner. Such modifications shall be in furtherance of the purposes of this CONTRACT and shall not be inconsistent with the terms and conditions of the main body of this CONTRACT.

(c) Repair and Maintenance Reserve

(1) The Concessioner shall establish and manage a Repair and Maintenance Reserve. The funds in this Reserve shall be used to carry out, on a project basis in accordance with Exhibits F and H, repair and maintenance of Concession Facilities that are non-recurring within a seven-year time frame. Such projects may include repair or replacement of foundations, building frames, window frames, sheathing, subfloors, drainage, rehabilitation of building systems such as electrical, plumbing, built-in heating and air conditioning, roof replacement and similar projects. Projects will be carried out by the Concessioner as the Director shall direct in writing in advance of any expenditure being made and in accordance with project proposals approved by the Director. No projects may be commenced until the Concessioner receives written approval from the Director.

(2) Projects paid for with funds from the Repair and Maintenance Reserve will not include routine, operational maintenance of facilities or housekeeping and groundskeeping activities. Nothing in this section shall lessen the responsibility of the Concessioner to carry out the maintenance and repair of Concession Facilities or housekeeping and groundskeeping responsibilities as required by this CONTRACT from Concessioner funds exclusive of the funds contained in the Repair and Maintenance Reserve.

(3) The Concessioner shall establish within its accounting system a Repair and Maintenance Reserve. The Concessioner shall debit to this Reserve, within fifteen (15) days after the last day of each month that the Concessioner operates a sum equal to: one percent (1%) of the Concessioner's gross receipts for the previous month. If the Concessioner fails to make timely debits to the Repair and Maintenance Reserve, the Director may terminate this CONTRACT for default or may require the Concessioner to post a bond in an amount equal to the estimated annual Repair and Maintenance Reserve allocation, based on the preceding year's gross receipts.

(4) The balance in the Repair and Maintenance Reserve shall be available for projects in accordance with the Reserve's purpose. For all expenditures made for each project from the Repair and Maintenance Reserve, the Concessioner shall maintain auditable records including invoices, billings, canceled checks, and other documentation satisfactory to the Director. Failure to expend Repair and Maintenance Reserve Funds when directed by the Director shall be considered as a material breach of this CONTRACT for which the Director may seek monetary damages and other legal relief, including, without limitation, termination of this CONTRACT.

(5) Repair and Maintenance Reserve funds shall not be used for a major rehabilitation as defined in this CONTRACT. The Concessioner shall obtain no ownership, Leasehold Surrender Interest, or other compensable interest as a consequence of the expenditure of Repair and Maintenance Reserve funds.

(6) Any Repair and Maintenance Reserve funds not duly expended by the Concessioner as of the termination or expiration of this CONTRACT shall be retained by the Concessioner (subject to otherwise applicable terms and conditions of this CONTRACT).

SEC. 11. FEES

(a) Franchise Fee

(1) For the term of this CONTRACT, the Concessioner shall pay to the Director for the privileges granted under this CONTRACT a franchise fee equal to _____ **percent** (__ %) of the Concessioner's gross receipts for the preceding year or portion of a year.

(2) Neither the Concessioner nor the Director shall have a right to an adjustment of the fees except as provided below. The Concessioner has no right to waiver of the fee under any circumstances.

(b) Payments Due

(1) The franchise fee shall be due on a monthly basis at the end of each month and shall be paid by the Concessioner in such a manner that the Director shall receive payment within fifteen (15) days after the last day of each month that the Concessioner operates. This monthly payment shall include the franchise fee equal to the specified percentage of gross receipts for the preceding month.

(2) The Concessioner shall pay any additional fee amounts due at the end of the operating year as a result of adjustments at the time of submission of the Concessioner's Annual Financial Report. Overpayments shall be offset against the following year's fees. In the event of termination or expiration of this CONTRACT, overpayments will first be offset against any amounts due and owing the Government, and the remainder will be paid to the Concessioner.

(3) All franchise fee payments shall be deposited electronically by the Concessioner using approved National Park Service administrative procedures, as described in the Operating Plan.

(c) Interest

An interest charge will be assessed on overdue amounts for each thirty (30) day period, or portion thereof, that payment is delayed beyond the fifteen (15) day period provided for above. The percent of interest charged will be based on the current value of funds to the United States Treasury as published annually in the Treasury Fiscal Requirements Manual. The Director may also impose penalties for late payment to the extent authorized by Applicable Law.

(d) Adjustment of Franchise Fee

- (1) The Concessioner or the Director may request, in the event that either considers that extraordinary, unanticipated changes have occurred after the effective date of this CONTRACT, a reconsideration and possible subsequent adjustment of the franchise fee established in this Section. For the purposes of this Section, the phrase “extraordinary, unanticipated changes” shall mean extraordinary, unanticipated changes from the conditions existing or reasonably anticipated before the effective date of this CONTRACT which have or will significantly affect the probable value of the privileges granted to the Concessioner by this CONTRACT. For the purposes of this Section, the phrase “probable value” means a reasonable opportunity for net profit in relation to capital invested and the obligations of this CONTRACT.
- (2) The Concessioner or the Director must make a request for a reconsideration by mailing, within sixty (60) days from the date that the party becomes aware, or should have become aware, of the possible extraordinary, unanticipated changes, a written notice to the other party that includes a description of the possible extraordinary, unanticipated changes and why the party believes they have affected or will significantly affect the probable value of the privileges granted by this CONTRACT.
- (3) If the Concessioner and the Director agree that extraordinary, unanticipated changes have occurred, the Concessioner and the Director will undertake good faith negotiations as to an appropriate adjustment of the franchise fee.
- (4) The negotiation will last for a period of sixty (60) days from the date the Concessioner and the Director agree that extraordinary, unanticipated changes occurred. If the negotiation results in agreement as to an adjustment (up or down) of the franchise fee within this period, the franchise fee will be adjusted accordingly, prospectively as of the date of agreement.
- (5) If the negotiation does not result in agreement as to the adjustment of the franchise fee within this sixty (60) day period, then either the Concessioner or the Director may request binding arbitration to determine the adjustment to franchise fee in accordance with this Section. Such a request for arbitration must be made by mailing written notice to the other party within fifteen (15) days of the expiration of the sixty (60) day period.
- (6) Within thirty (30) days of receipt of such a written notice, the Concessioner and the Director shall each select an arbiter. These two arbiters, within thirty (30) days of selection, must agree to the selection of a third arbiter to complete the arbitration panel. Unless otherwise agreed by the parties, the arbitration panel shall establish the procedures of the arbitration. Such procedures must provide each party a fair and equal opportunity to present its position on the matter to the arbitration panel.
- (7) The arbitration panel shall consider the written submissions and any oral presentations made by the Concessioner and the Director and provide its decision on an adjusted franchise fee (up, down or unchanged) that is consistent with the probable value of the privileges granted by this CONTRACT within sixty (60) days of the presentations.
- (8) Any adjustment to the franchise fee resulting from this Section shall be prospective only.
- (9) Any adjustment to the franchise fee will be embodied in an amendment to this CONTRACT.

(10) During the pendency of the process described in this Section, the Concessioner shall continue to make the established franchise fee payments required by this CONTRACT.

SEC. 12. INDEMNIFICATION AND INSURANCE

(a) Indemnification

The Concessioner agrees to assume liability for and does hereby agree to save, hold harmless, protect, defend and indemnify the United States of America, its agents and employees from and against any and all liabilities, obligations, losses, damages or judgments (including without limitation penalties and fines), claims, actions, suits, costs and expenses (including without limitation attorneys fees and experts' fees) of any kind and nature whatsoever on account of fire or other peril, bodily injury, death or property damage, or claims for bodily injury, death or property damage of any nature whatsoever, and by whomsoever made, in any way connected with or arising out of the activities of the Concessioner, its employees, agents or contractors under this CONTRACT. This indemnification shall survive the termination or expiration of this CONTRACT.

(b) Insurance in General

(1) The Concessioner shall obtain and maintain during the entire term of this CONTRACT at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of this CONTRACT as determined by the Director. The initial insurance requirements are set forth below and in Exhibit I. Any changed or additional requirements that the Director determines necessary must be reasonable and consistent with the types and coverage amounts of insurance a prudent businessperson would purchase in similar circumstances. The Director shall approve the types and amounts of insurance coverage purchased by the Concessioner.

(2) The Director will not be responsible for any omissions or inadequacies of insurance coverages and amounts in the event the insurance purchased by the Concessioner proves to be inadequate or otherwise insufficient for any reason whatsoever.

(3) At the request of the Director, the Concessioner shall at the time insurance is first purchased and annually thereafter, provide the Director with a Certificate of Insurance that accurately details the conditions of the policy as evidence of compliance with this Section. The Concessioner shall provide the Director immediate written notice of any material change in the Concessioner's insurance program hereunder, including without limitation, cancellation of any required insurance coverages.

(c) Commercial Public Liability

(1) The Concessioner shall provide commercial general liability insurance against claims arising out of or resulting from the acts or omissions of the Concessioner or its employees, agents or contractors, in carrying out the activities and operations required and/or authorized under this CONTRACT.

(2) This insurance shall be in the amount commensurate with the degree of risk and the scope and size of the activities required and/or authorized under this CONTRACT, as more specifically set forth in Exhibit

I. Furthermore, the commercial general liability package shall provide no less than the coverages and limits described in Exhibit I.

(3) All liability policies shall specify that the insurance company shall have no right of subrogation against the United States of America and shall provide that the United States of America is named an additional insured.

(4) From time to time, as conditions in the insurance industry warrant, the Director may modify Exhibit I to revise the minimum required limits or to require additional types of insurance, provided that any additional requirements must be reasonable and consistent with the types of insurance a prudent businessperson would purchase in similar circumstances.

(d) Property Insurance

(1) In the event of damage or destruction, the Concessioner will repair or replace those Concession Facilities and personal property utilized by the Concessioner in the performance of the Concessioner's obligations under this CONTRACT.

(2) For this purpose, the Concessioner shall provide fire and extended insurance coverage on Concession Facilities for all or part of their replacement cost as specified in Exhibit I in amounts no less than the Director may require during the term of the CONTRACT. The minimum values currently in effect are set forth in Exhibit I.

(3) Commercial property insurance shall provide for the Concessioner and the United States of America to be named insured as their interests may appear.

(4) In the event of loss, the Concessioner shall use all proceeds of such insurance to repair, rebuild, restore or replace Concession Facilities and/or personal property utilized in the Concessioner's operations under this CONTRACT, as directed by the Director. Policies may not contain provisions limiting insurance proceeds to in situ replacement. The lien provision of Section 13 shall apply to such insurance proceeds. The Concessioner shall not be relieved of its obligations under subsection (d)(1) because insurance proceeds are not sufficient to repair or replace damaged or destroyed property.

(5) Insurance policies that cover Concession Facilities shall contain a loss payable clause approved by the Director which requires insurance proceeds to be paid directly to the Concessioner without requiring endorsement by the United States. The use of insurance proceeds for repair or replacement of Concession Facilities will not alter their character as properties of the United States and, notwithstanding any provision of this CONTRACT to the contrary, the Concessioner shall gain no ownership, Leasehold Surrender Interest or other compensable interest as a result of the use of these insurance proceeds.

(6) The commercial property package shall include the coverages and amounts described in Exhibit I.

SEC. 13. BONDS AND LIENS

(a) Bonds

The Director may require the Concessioner to furnish appropriate forms of bonds in amounts reasonable in the circumstances and acceptable to the Director, in order to ensure faithful performance of the Concessioner's obligations under this CONTRACT.

(b) Lien

As additional security for the faithful performance by the Concessioner of its obligations under this CONTRACT, and the payment to the Government of all damages or claims that may result from the Concessioner's failure to observe any such obligations, the Government shall have at all times the first lien on all assets of the Concessioner within the Area, including, but not limited to, all personal property of the Concessioner used in performance of the CONTRACT hereunder within the Area and any Leasehold Surrender Interest of the Concessioner.

SEC. 14. ACCOUNTING RECORDS AND REPORTS

(a) Accounting System

(1) The Concessioner shall maintain an accounting system under which its accounts can be readily identified with its system of accounts classification. Such accounting system shall be capable of providing the information required by this CONTRACT, including but not limited to the Concessioner's repair and maintenance obligations. The Concessioner's system of accounts classification shall be directly related to the Concessioner Annual Financial Report Form issued by the Director.

(2) If the Concessioner's annual gross receipts are \$250,000 or more, the Concessioner must use the accrual accounting method.

(3) In computing net profits for any purposes of this CONTRACT, the Concessioner shall keep its accounts in such manner that there can be no diversion or concealment of profits or expenses in the operations authorized under this CONTRACT by means of arrangements for the procurement of equipment, merchandise, supplies or services from sources controlled by or under common ownership with the Concessioner or by any other device.

(b) Annual Financial Report

(1) The Concessioner shall submit annually as soon as possible but not later than one hundred twenty (120) days after the last day of its fiscal year a financial statement for the preceding fiscal year or portion of a year as prescribed by the Director ("Concessioner Annual Financial Report").

(2) If the annual gross receipts of the Concessioner are in excess of \$1,000,000, the financial statements shall be audited by an independent Certified Public Accountant in accordance with Generally Accepted Auditing Standards (GAAS) and procedures promulgated by the American Institute of Certified Public Accountants.

(3) If annual gross receipts are between \$250,000, and \$1,000,000, the financial statements shall be reviewed by an independent Certified Public Accountant in accordance with Generally Accepted

Auditing Standards (GAAS) and procedures promulgated by the American Institute of Certified Public Accountants.

(4) If annual gross receipts are less than \$250,000, the financial statements may be prepared without involvement by an independent Certified Public Accountant, unless otherwise directed by the Director.

(c) Other Financial Reports

(1) Balance Sheet. Within ninety (90) days of the execution of this CONTRACT or its effective date, whichever is later, the Concessioner shall submit to the Director a balance sheet as of the beginning date of the term of this CONTRACT. The balance sheet shall be audited or reviewed, as determined by the annual gross receipts, by an independent Certified Public Accountant. The balance sheet shall be accompanied by a schedule that identifies and provides details for all capital improvements in which the Concessioner claims a Leasehold Surrender Interest. The schedule must describe these capital improvements in detail showing for each such capital improvement the date acquired, constructed or installed.

(2) Statements of Reserve Activity. The Concessioner shall submit annually, not later than one hundred twenty (120) days after the end of the Concessioner's accounting year, a statement reflecting total activity in the Maintenance Reserve for the preceding accounting year. The statement must reflect monthly inflows and outflows on a project by project basis.

SEC. 15. OTHER REPORTING REQUIREMENTS

The following describes certain other reports required under this CONTRACT:

(a) Insurance Certification

As specified in Section 12, the Concessioner shall, at the request of the Director, provide the Director with a Certificate of Insurance for all insurance coverages related to its operations under this CONTRACT. The Concessioner shall give the Director immediate written notice of any material change in its insurance program, including without limitation, any cancellation of required insurance coverages.

(b) Environmental Reporting

The Concessioner shall submit environmental reports as specified in Section 6 of this CONTRACT, and as otherwise required by the Director under the terms of this CONTRACT.

(c) Miscellaneous Reports and Data

The Director from time to time may require the Concessioner to submit other reports and data regarding its performance under the CONTRACT or otherwise, including, but not limited to, operational information.

SEC. 16. SUSPENSION, TERMINATION, OR EXPIRATION

(a) Suspension

The Director may temporarily suspend operations under this CONTRACT in whole or in part in order to protect Area visitors or to protect, conserve and preserve Area resources. No compensation of any nature shall be due the Concessioner by the Director in the event of a suspension of operations, including, but not limited to, compensation for losses based on lost income, profit, or the necessity to make expenditures as a result of the suspension.

(b) Termination

(1) The Director may terminate this CONTRACT at any time in order to protect Area visitors, protect, conserve, and preserve Area resources, or to limit visitor services in the Area to those that continue to be necessary and appropriate.

(2) The Director may terminate this CONTRACT if the Director determines that the Concessioner has materially breached any requirement of this CONTRACT, including, but not limited to, the requirement to maintain and operate visitor services to the satisfaction of the Director, the requirement to provide only those visitor services required or authorized by the Director pursuant to this CONTRACT, the requirement to pay the established franchise fee, the requirement to prepare and comply with an Environmental Management Program, the requirement to duly expend funds from the repair and maintenance reserve and the requirement to comply with Applicable Laws.

(3) In the event of a breach of the CONTRACT, the Director will provide the Concessioner an opportunity to cure by providing written notice to the Concessioner of the breach. In the event of a monetary breach, the Director will give the Concessioner a fifteen (15) day period to cure the breach. If the breach is not cured within that period, then the Director may terminate the CONTRACT for default. In the event of a nonmonetary breach, if the Director considers that the nature of the breach so permits, the Director will give the Concessioner thirty (30) days to cure the breach, or to provide a plan, to the satisfaction of the Director, to cure the breach over a specified period of time. If the breach is not cured within this specified period of time, the Director may terminate the CONTRACT for default. Notwithstanding this provision, repeated breaches (two or more) of the same nature shall be grounds for termination for default without a cure period. In the event of a breach of any nature, the Director may suspend the Concessioner's operations as appropriate in accordance with Section 16(a).

(4) The Director may terminate this CONTRACT upon the filing or the execution of a petition in bankruptcy by or against the Concessioner, a petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor, an assignment by the Concessioner for the benefit of creditors, a petition or other proceeding against the Concessioner for the appointment of a trustee, receiver, or liquidator, or, the taking by any person or entity of the rights granted by this CONTRACT or any part thereof upon execution, attachment or other process of law or equity. The Director may terminate this CONTRACT if the Director determines that the Concessioner is unable to perform the terms of CONTRACT due to bankruptcy or insolvency.

(5) Termination of this CONTRACT for any reason shall be by written notice to the Concessioner.

(c) Notice of Bankruptcy or Insolvency

The Concessioner must give the Director immediate notice (within five (5) days) after the filing of any petition in bankruptcy, filing any petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor, or making any assignment for the benefit of creditors. The Concessioner must also give the Director immediate notice of any petition or other proceeding against the Concessioner for the appointment of a trustee, receiver, or liquidator, or, the taking by any person or entity of the rights granted by this CONTRACT or any part thereof upon execution, attachment or other process of law or equity. For purposes of the bankruptcy statutes, NPS considers that this CONTRACT is not a lease but an executory contract exempt from inclusion in assets of Concessioner pursuant to 11 U.S.C. 365.

(d) Requirements in the Event of Termination or Expiration

(1) In the event of termination of this CONTRACT for any reason or expiration of this CONTRACT, the total compensation due the Concessioner for such termination or expiration shall be as described in Section 17 of this CONTRACT. No other compensation of any nature shall be due the Concessioner in the event of a termination or expiration of this CONTRACT, including, but not limited to, compensation for losses based on lost income, profit, or the necessity to make expenditures as a result of the termination.

(2) Upon termination of this CONTRACT for any reason, or upon its expiration, and except as otherwise provided in this Section, the Concessioner shall, at the Concessioner's expense, promptly vacate the Area, remove all of the Concessioner's personal property, repair any injury occasioned by installation or removal of such property, and ensure that Concession Facilities are in at least as good condition as they were at the beginning of the term of this CONTRACT, reasonable wear and tear excepted. The removal of such personal property must occur within thirty (30) days after the termination of this CONTRACT for any reason or its expiration (unless the Director in particular circumstances requires immediate removal).

(3) To avoid interruption of services to the public upon termination of this CONTRACT for any reason, or upon its expiration, the Concessioner, upon the request of the Director, shall consent to the use by another operator of the Concessioner's personal property, excluding inventories if any, not including current or intangible assets, for a period of time not to exceed one (1) year from the date of such termination or expiration. The other operator shall pay the Concessioner an annual fee for use of such property, prorated for the period of use, in the amount of the annual depreciation of such property, plus a return on the book value of such property equal to the prime lending rate, as published by the Federal Reserve System Board of Governors, effective on the date the operator assumes managerial and operational responsibilities. In such circumstances, the method of depreciation applied shall be either straight line depreciation or depreciation as shown on the Concessioner's Federal income tax return, whichever is less. To avoid interruption of services to the public upon termination of this CONTRACT for any reason or its expiration, the Concessioner shall, if requested by the Director, sell its existing inventory to another operator at the purchase price as shown on applicable invoices.

SEC. 17. COMPENSATION

(a) Just Compensation

The compensation provided by this Section shall constitute full and just compensation to the Concessioner for all losses and claims occasioned by the circumstances described below.

(b) Compensation for CONTRACT Expiration or Termination

If, for any reason, including CONTRACT expiration or termination, the Concessioner shall cease to be authorized by the Director to conduct operations under this CONTRACT, the Concessioner shall convey to a person designated by the Director (including the Director if appropriate) any Leasehold Surrender Interest it has under the terms of this CONTRACT and the Director shall, subject to the terms and conditions of this CONTRACT, assure that the Concessioner is paid the Leasehold Surrender Interest Value.

(c) Procedures for Establishing the Value of a Leasehold Surrender Interest

At any time during the term of this CONTRACT, the Concessioner shall, when requested by the Director, enter into negotiations with the Director as to the value of the Concessioner's Leasehold Surrender Interest under this CONTRACT. In the event that such negotiations fail to determine an agreed upon value within a reasonable period of time as determined by the Director, the Director or the Concessioner may initiate arbitration proceedings to determine such value upon written request to the other party. Such arbitration proceedings shall be conducted in accordance with the arbitration procedures set forth in Exhibit A. In these circumstances, the Concessioner and the Director shall each select an arbiter. The two arbiters, within thirty (30) days of selection, must agree to the selection of a third arbiter to complete the arbitration panel in accordance with Exhibit A. The arbitration panel shall consider the written submissions and any oral presentations made by the Concessioner and the Director and shall determine the value of the Leasehold Surrender Interest consistent with the terms of this CONTRACT, including without limitation Exhibit A. The arbitration panel shall also provide a means to calculate the change in the value of such Leasehold Surrender Interest as may occur for up to two (2) years from the date of the initial determination. The determination of the arbitration panel shall be binding on the Director and the Concessioner.

(d) Compensation for Personal Property

No compensation is due the Concessioner from the Director or a successor concessioner for the Concessioner's personal property used in operations under this CONTRACT. However, the Director or a successor concessioner may purchase such personal property from the Concessioner subject to mutually agreed upon terms. Personal property not removed from the Area by the Concessioner in accordance with the terms of this CONTRACT shall be considered abandoned property subject to disposition by the Director, at full cost and expense of the Concessioner, in accordance with Applicable Laws. Any cost or expense incurred by the Director as a result of such disposition may be offset from any amounts owed to the Concessioner by the Director to the extent consistent with Applicable Laws.

SEC. 18. ASSIGNMENT, SALE OR ENCUMBRANCE OF INTERESTS

(a) This CONTRACT is subject to the requirements of Applicable Laws, including, without limitation, 36 CFR Part 51, with respect to proposed assignments and encumbrances, as those terms are defined by

Applicable Laws. Failure by the Concessioner to comply with Applicable Laws is a material breach of this CONTRACT for which the Director may terminate this CONTRACT for default. The Director shall not be obliged to recognize any right of any person or entity to an interest in this CONTRACT of any nature, including, but not limited to, Leasehold Surrender Interest or operating rights under this CONTRACT, if obtained in violation of Applicable Laws.

(b) The Concessioner shall advise any person(s) or entity proposing to enter into a transaction which may be subject to Applicable Laws, including without limitation, 36 CFR Part 51, of the requirements of Applicable Law and this CONTRACT.

SEC. 19. GENERAL PROVISIONS

(a) The Director and Comptroller General of the United States, or any of their duly authorized representatives, shall have access to the records of the Concessioner as provided by the terms of Applicable Laws.

(b) All information required to be submitted to the Director by the Concessioner pursuant to this CONTRACT is subject to public release by the Director to the extent provided by Applicable Laws.

(c) Subconcession or other third party agreements, including management agreements, for the provision of visitor services required and/or authorized under this CONTRACT are not permitted.

(d) The Concessioner is not entitled to be awarded or to have negotiating rights to any Federal procurement or service contract by virtue of any provision of this CONTRACT.

(e) Any and all taxes or assessments of any nature that may be lawfully imposed by any State or its political subdivisions upon the property or business of the Concessioner shall be paid promptly by the Concessioner.

(f) No member of, or delegate to, Congress or Resident Commissioner shall be admitted to any share or part of this CONTRACT or to any benefit that may arise from this CONTRACT but this restriction shall not be construed to extend to this CONTRACT if made with a corporation or company for its general benefit.

(g) This CONTRACT is subject to the provisions of 43 CFR, Subtitle A, Subpart D, concerning nonprocurement debarment and suspension. The Director may recommend that the Concessioner be debarred or suspended in accordance with the requirements and procedures described in those regulations, as they are effective now or may be revised in the future.

(h) This CONTRACT contains the sole and entire agreement of the parties. No oral representations of any nature form the basis of or may amend this CONTRACT. This CONTRACT may be extended, renewed or amended only when agreed to in writing by the Director and the Concessioner.

(i) This CONTRACT does not grant rights or benefits of any nature to any third party.

(j) The invalidity of a specific provision of this CONTRACT shall not affect the validity of the remaining provisions of this CONTRACT.

(k) Waiver by the Director or the Concessioner of any breach of any of the terms of this CONTRACT by the other party shall not be deemed to be a waiver or elimination of such term, nor of any subsequent breach of the same type, nor of any other term of the CONTRACT. The subsequent acceptance of any payment of money or other performance required by this CONTRACT shall not be deemed to be a waiver of any preceding breach of any term of the CONTRACT.

(l) Claims against the Director (to the extent subject to 28 U.S.C. 2514) arising from this CONTRACT shall be forfeited to the Director by any person who corruptly practices or attempts to practice any fraud against the United States in the proof, statement, establishment, or allowance thereof within the meaning of 28 U.S.C. 2514.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this CONTRACT as of the _____ day of _____, _____.

CONCESSIONER

UNITED STATES OF AMERICA

BY _____
(Title)
(Company Name)

BY _____
Director
National Park Service

[CORPORATIONS]

ATTEST:

BY: _____
TITLE: _____

[SOLE PROPRIETORSHIP]

WITNESSES:

NAME _____
ADDRESS _____
TITLE _____

NAME _____
ADDRESS _____
TITLE _____

[PARTNERSHIP]

WITNESSES AS TO EACH:

[Concessioner]

NAME _____
ADDRESS _____

(NAME)

NAME _____
ADDRESS _____

(NAME)

PROPOSAL INSTRUCTIONS

South Rim Accommodations, Facilities and Services
CC-GRCA001-01

Before completing a proposal, carefully read and consider these instructions, the concession contract document, the exhibits to the concession contract document, and the proposal package, as well as the other information in this prospectus, its appendix and any other documents to which it refers.

Response Period for Submission of Proposals

This prospectus is issued under the authority of 36 CFR Part 51. In the event of any inconsistency between the terms of this prospectus and 36 CFR Part 51, 36 CFR Part 51 will control.

All persons that submit a proposal in response to this prospectus are presumed to be informed of the provisions of 36 CFR Part 51, including, without limitation, requirements regarding purchase and disposition of the personal property and possessory interest of the existing concessioner set forth in subparts G and H of 36 CFR Part 51.

Proposals must be received within 120 calendar days from the date this prospectus was announced. Specific dates are shown on the front page of this prospectus. Proper public notice has been given, as required by Part 51 of Title 36 of the Code of Federal Regulations. The National Park Service considers that 120 days is a sufficient response time taking into account the wide scope and complex nature of services to be provided under this contract.

Only an offeror submitting a responsive proposal is eligible to be awarded the new concession contract. A responsive proposal means a timely submitted proposal that is determined by the Director as agreeing to all of the minimum requirements of the new concession contract and prospectus and as having provided the information required by the prospectus. The minimum requirements for the new concession contract are identified in Part A of the Proposal Package. Offerors must agree in their transmittal letter to the minimum requirements of the Prospectus as identified in Part A, and provide the information required by Part B on all subfactors in order for the proposal to be considered responsive.

Form in Which Proposal Must Be Submitted

You must follow the format provided in the proposal package, including in its entirety without alteration the "Offeror's Transmittal Letter," in applying for the concession opportunity. Failure to submit the Offeror's Transmittal Letter without alteration (except for filling in the indicated blanks) will make your proposal non-responsive.

Please number each page and section in your completed proposal according to its corresponding location in the proposal package. Feel free to add any relevant information to your proposal, while staying within the organizational framework in the proposal package.

Where and How to Submit a Proposal

Completed proposals and any modifications of them must be submitted to the National Park Service at the address and by the close of business on the due date shown on the front page of this prospectus. Proposals may be delivered in any manner convenient to the Offeror during normal business hours of the receiving office.

Submit three copies of your proposal, following the format of the proposal package presented within this Prospectus.

Proposals and modifications of them must be enclosed in sealed envelopes with the following marked on the envelope:

- **“CONCESSION PROPOSAL, MAIL ROOM DO NOT OPEN.”**
- **The due date specified in this prospectus for receipt of the proposal by the National Park Service**
- **The name and address of the Offeror.**

Proposals May Be Considered Public Documents

All proposals submitted in response to this Prospectus may be disclosed by the Department of the Interior to any person, upon request, to the extent required by the Freedom of Information Act. If you believe that your proposal contains trade secrets or confidential commercial and financial information exempt from disclosure under the Freedom of Information Act (5 USC 552), mark the cover page of each copy of the proposal with the following legend:

"The information specifically identified on pages of this proposal constitutes trade secrets or confidential commercial and financial information that the Offeror believes to be exempt from disclosure under the Freedom of Information Act. The Offeror requests that this information not be disclosed to the public, except as may be required by law."

You must specifically identify what you consider to be trade secret information or confidential commercial and financial information on the page of the proposal on which it appears, and you must mark each such page with the following legend:

"This page contains trade secrets or confidential commercial and financial information that the Offeror believes to be exempt from disclosure under the Freedom of Information Act, and which is subject to the legend contained on the cover page of this proposal."

Information so identified shall not be made public by the National Park Service except in accordance with law.

Questions

If you do not understand something in this prospectus, you must submit your question in writing to the contact person noted on the cover of the prospectus, no later than 30 days in advance of the submittal date. The National Park Service will respond to your question in writing, and will provide the question and response to all potential Offerors who have requested a Prospectus. Questions submitted after this date will not be answered. Because the National Park Service must provide equal information to all Offerors, there must be sufficient time allowed to inform all interested parties of such questions and answers.

Evaluation of Proposals and Selection

Selection Factors. How the National Park Service will evaluate Proposals, and select a Concessioner.

Evaluation. The Director will apply the principal selection factors and secondary factors as set forth in CFR 36 Part 51.17 by assessing each timely proposal under each of the selection factors on the basis of a narrative explanation discussing any subfactors when applicable.

Scoring. For each selection factor the Director will assign a score that reflects the determined merits of the proposal under the applicable selection factor and in comparison to the other proposals received if any.

The first four principal factors will be scored from zero to five. The fifth selection factor will be scored from zero to four (with a score of one for agreeing to the minimum franchise fee contained in the prospectus). The first secondary factor will be scored from zero to three. Each of the second and third secondary factors will be scored from zero to one-and-a-half (1.5). The Director will then assign a cumulative point score to each proposal based on the assigned score for each selection factor.

Principal Selection Factors. The five principal selection factors are:

Principal selection factor 1. The responsiveness of the proposal to the objectives, as described in the prospectus, of protecting, conserving, and preserving resources of the park area;

Principal selection factor 2. The responsiveness of the proposal to the objectives, as described in the prospectus, of providing necessary and appropriate visitor services at reasonable rates;

Principal selection factor 3. The experience and related background of the offeror, including the past performance and expertise of the offeror in providing the same or similar visitor services as those to be provided under the concession contract;

Principal selection factor 4. The financial capability of the offeror to carry out its proposal;

Principal selection factor 5. The amount of the proposed minimum franchise fee, if any, and/or other forms of financial consideration to the Director. However, consideration of revenue to the United States will be subordinate to the objectives of protecting, conserving, and preserving resources of the park area and of providing necessary and appropriate visitor services to the public at reasonable rates.

Secondary Selection Factors.

The secondary selection factors are:

1. The quality of the Offeror's proposal to conduct its operations in a manner that furthers the protection, conservation and preservation of the park area and other resources through environmental management programs and activities, including, without limitation, energy conservation, waste reduction, recycling and green procurement.
2. The quality of the Offeror's proposal to provide needed employee housing and to adaptively convert obsolete employee housing to guest lodging.

3. The quality of the Offeror's proposal to conduct its hiring, training and retention program for employees in such a way that furthers its ability to provide exemplary customer service beyond the requirements of the Draft Contract.

Selecting the best proposal. The National Park Service will select the proposal with the highest cumulative point score as the best proposal. If two or more proposals receive the same highest point score, then the Director will select as the best proposal (from among the proposals with the same highest point score) the responsive proposal that the Director determines on the basis of a narrative explanation will, on an overall basis, best achieve the purposes of 36 CFR Part 51. Consideration of revenue to the United States in this determination and in scoring proposals under Principal Factor 5 will be subordinate to the objectives of protecting, conserving and preserving resources of the park area and of providing necessary and appropriate visitor services to the public at reasonable rates (36 CFR §51.16(c)).

Right of Preference

PREFERRED OFFEROR DETERMINATIONS.

A preferred Offeror is a concessioner that the Director has determined is eligible to exercise a right of preference to the award of a qualified new concession contract in accordance with 36 CFR §51.27.

A right of preference is the right of a preferred Offeror, if it submits a responsive proposal for a qualified concession contract, to match the requirements of the terms and conditions of a competing proposal that the Director has determined to be the best responsive proposal.

Under the exclusionary provisions cited in 36 CFR §51.27, the Director has determined that this is not a qualified concession contract, because it is anticipated that receipts in the first year of the new Contract will have annual gross receipts in excess of \$500,000, and the new concession Contract will not solely authorize or require the conduct of specialized outdoor recreation guide services in the backcountry of Grand Canyon National Park. Therefore, no preferred Offeror for this contract exists.

Congressional Review

Contracts issued for a term of ten years or more, or when the annual gross receipts are anticipated to exceed \$5,000,000, are required by law to be submitted to the Congress for sixty days before they may be awarded. The new concession contract will be submitted to the Congress because anticipated gross receipts exceed \$5,000,000 and the term anticipated is **ten or more** years.

Cautions to Offerors about Submission and Evaluation of Proposals

1. **All information regarding this prospectus will be issued in writing.** No National Park Service or other government official is authorized to make substantive oral representations relating to this matter, and no offeror should rely on any oral representations made by government officials with respect to this transaction.
2. The proposal includes the selection factors to be used by the National Park Service to evaluate proposals. Under each factor, the National Park Service identifies subfactors to ensure that all elements of the factor

are considered. You, the Offeror, should ensure that you fully address all of the selection factors and related subfactors.

3. This prospectus and related documents reflect the views and objectives of the National Park Service with regard to the proposed concession operation. Should you believe any statement in the prospectus to be inaccurate, you must submit comments to the National Park Service in writing, no later than thirty days prior to the due date for proposals. Send your comments to the office named in the cover of this prospectus for the receipt of proposals.
4. The information provided in this prospectus, including the Appendix, is provided to allow offerors to understand the operations and terms of the new concession contract. However, the information is provided throughout all of the documents contained in this prospectus. Offerors are encouraged to thoroughly review all information and required submittal documents before beginning to prepare a proposal. In the event of any inconsistencies between this prospectus and 36 CFR, Part 51, 36 CFR, Part 51 will prevail.
5. A proposal to expand the scope of facilities and/or services beyond that identified in this prospectus will not be considered in the evaluation of proposals.
6. A proposal to provide direct or indirect monetary or other benefits to the park or government not within the scope or requirements of the contract will not be considered in the evaluation of proposals.
7. If you propose to make any financial commitments in response to any selection factor, your proposal will be closely reviewed and analyzed against your financial statements and supporting documents. Such documents reviewed and analyzed will include but not be limited to the pro forma income statements, balance sheets, and cash flow statements required in the proposal.
8. The proposal and related materials submitted should reflect the entire proposal you are making. The National Park Service will consider your written submission as your full and final proposal in response to the prospectus, and will make its selection based on the written information you have submitted. Do not assume that the National Park Service knows anything about you or your proposal. Do not assume that any information about you or your proposal, previous correspondence or previous submissions are in the possession of or will be considered by the National Park Service. This is true even if you are the current concessioner or have operated another concession within the park area.
9. The draft concession contract and its exhibits, which set forth the terms and conditions under which the concession operation is to be conducted, are attached. The Director may amend a prospectus and/or extend the submission date prior to the proposal due date. The Director may also cancel a solicitation at any time before the award of the concession contract if the Director determines in its discretion that this action is appropriate in the public interest. No offeror or other person will obtain compensable or other legal rights as a result of an amended, extended, canceled or reissued solicitation for this concession contract. (36 CFR §51.11).
10. Except as provided under 36 CFR Section 51.47 (which calls for a final administrative decision on preferred offeror appeals prior to the award of a contract), the terms, conditions and determinations of the prospectus and the terms and conditions of the proposed concession contract as described in the prospectus, including, without limitation, its minimum franchise fee, are not final until the concession contract is awarded.

11. The Director may request from any offeror who has submitted a timely proposal a written clarification of its proposal. Clarification refers to making clear any ambiguities that may have been contained in a proposal, but does not include amendment or supplementation of a proposal. An offeror may not amend or supplement a proposal after the submission date unless requested by the Director to do so, and unless the Director provides all offerors that submitted proposals a similar opportunity to amend or supplement their proposals.
12. The selected offeror, including any preferred offeror, must execute the concession contract promptly after selection of the best proposal and within the time established by the Director. If the selected offeror fails to execute the concession contract within the time period specified by the Director, the Director will select another responsive proposal for award of the concession contract, or will cancel the selection and may resolicit the new concession contract .
13. Document delivery services, including overnight delivery, to some areas may not provide true overnight delivery. Offerors are encouraged to insure the timely submittal of proposals by contacting the delivery service of their choice regarding delivery availability for the specific location specified on the front page of this prospectus.
14. The National Park Service, in accordance with 36 CFR Part 51, may include, as terms of the new concession contract, appropriate elements of the proposal selected for award of the concession contract.
15. Offerors are responsible for undertaking appropriate due diligence with respect to this business opportunity. All of the statements made in this prospectus regarding the nature of the business and its likely future are only opinions of the National Park Service. Offerors should not rely on any representations of the National Park Service in this regard.

Proposal Package

CC-GRCA001-01

**Department Of Interior
National Park Service
Grand Canyon National Park**

**Proposal to Operate South Rim Accommodations, Facilities and Services
Within Grand Canyon National Park**

Date:
(Prospectus Issued)

DUE DATE: All proposals and any modifications of them must be received at the following address:

National Park Service
Business Resources Division
Intermountain Regional Office
P.O. Box 25287
Denver, CO 80225-0287

12795 W. Alameda Parkway
Lakewood, CO 80228

Phone No. 303/969-2661

No Later Than: _____
By Close Of Business: 4:00 P.M.

The Proposal Letter set forth below indicates your acceptance of the terms and conditions of the concession opportunity as set forth in this Prospectus. It indicates your intention to comply with the required elements of the Contract. The letter must bear original signatures. The NPS will review the entire Proposal Package to determine whether your proposal in fact accepts without condition the terms and conditions of this Prospectus. If not, your proposal may be considered non-responsive, even though you submitted an unconditional Proposal Letter.

If a court of competent jurisdiction determines that any term of the prospectus is unlawful, then any Offeror may withdraw its proposal at any time prior to award of the Contract without penalty and may submit a new proposal in accordance with any amendment to, or resolicitation of, the Prospectus.

PROPOSAL FOR CONCESSION OPERATION

To: Karen Wade, Director
Intermountain Region
P.O. Box 25287
Denver, Colorado 80225

Attention: Business Resources Division (IMDE-CM)

Dear Ms. Wade:

(I) (We) hereby offer to provide visitor services and facilities at Grand Canyon National Park in accordance with the terms and conditions specified in the draft new Concession Contract No. CC-GRCA001-01, provided in the prospectus issued by the public notice in the Commerce Business Daily dated _____, and to execute the draft new Concession Contract without substantive modification (except as may be required by the National Park Service pursuant to the terms of the prospectus).

(I) (We) are enclosing the required "PROPOSAL" which, by this reference, is made a part hereof.

(I) (We) certify that the information furnished herewith is true to the best of (my) (our) knowledge and belief. (I) (We) agree to meet all the minimum requirements of the draft new concession contract, and the prospectus, and that (I) (We) have provided all of the mandatory information specified in the prospectus.

(I) (We) certify in accordance with 43 CFR Part 12 regarding debarment, suspension, ineligibility and voluntary exclusion the following:

Any of the individuals or entities seeking participation in this Concession Contract are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from a public transaction by a federal department or agency.

Within the three years preceding submission of the Proposal, none of the individuals or entities seeking participation in this Concession Contract have been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, or for violation of federal or state antitrust statutes or for

commission of embezzlement, theft, forgery, bribery, falsification of records, making false statements, or receiving stolen property.

None of the individuals or entities seeking participation in this Concession Contract are presently indicted for or otherwise criminally or civilly charged by a federal, state or local unit of the government with commission of any of the offenses.

The individuals or entities seeking participation in this Concession Contract have not had one or more public transactions (federal, state or local) terminated for cause or default within the three-year period preceding the submission of the Proposal.

(I) (We), by submitting this Proposal hereby agree, if selected for award of the new concession contract:

1. To the minimum requirements of the prospectus as identified in Part A of this proposal package.
2. To complete the execution of the final Concession Contract within thirty working days after it is presented by the National Park Service.
3. To commence operations under the new concession contract on the effective date of the new concession contract.
4. To acquire the possessory interest of the existing concessioner no later than December 31, 2001 in the amount of \$165,000,000.
5. To acquire the personal property of the existing concessioner under the terms of the existing concession contract.
6. To resolve any dispute regarding the value of personal property of the existing concessioner in accordance with the terms of the existing concession contract.
7. To the conversion of the possessory interest held under the existing concession contract to leasehold surrender interest under the terms of the new concession contract in accordance with the applicable provisions of Subpart H of 36 CFR Part 51.

BY _____ DATE _____
(Type or Print Name)

ORIGINAL SIGNATURE _____

TITLE _____

ADDRESS _____

CERTIFICATE OF CORPORATE OFFEROR
(Offerors who are not corporations should skip this certificate)

I, _____, certify that I am the _____ of the corporation named as Offeror herein; that _____, who signed this proposal on behalf of the Offeror, was then of said corporation; that said proposal was duly signed for and in behalf of the corporation by authority of its governing body within the scope of its corporate powers.

BY: _____ DATE _____
(Type or print name and date)

Original Signature

TITLE _____

ADDRESS _____

PART A

The minimum requirements for the new concession contract are identified in this Part A of the proposal package. If the offeror, in its proposal letter, does not agree to these minimum requirements, the proposal will be considered non-responsive.

PRINCIPAL SELECTION FACTOR 1. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROTECTING, CONSERVING, AND PRESERVING RESOURCES OF THE PARK AREA.

(I) (We) agree to comply with all terms and conditions in the contract, including compliance with all applicable laws, including, without limitation, environmental protection and conservation laws, under the terms and conditions specified in the Concession Contract.

PRINCIPAL SELECTION FACTOR 2. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROVIDING NECESSARY AND APPROPRIATE VISITOR SERVICES AT REASONABLE RATES.

(I) (We) agree to comply with all the terms and conditions specified in the Concession Contract, including its exhibits.

(I) (We) agree to operate at the currently approved rates during the term of the Concession Contract until such time as a new rate schedule is approved by the Secretary, in accordance with 16 U.S.C. 5955. A selected Offeror may request a rate increase at any time after the selection of the best proposal is made by the National Park Service. The last comprehensive rate study for lodging, food and beverage was undertaken in 1995.

(I) (We) agree to accept the Concession Facilities, and any assigned government personal property “as is” as required by the draft Concession Contract, Section 8(f).

(I)(We) agree to carry out the required Concession Facilities Improvement Program according to the terms of the draft Concession Contract, including the time frames established by the Secretary.

(I)(We) agree to accept the “Repair and Maintenance Reserve” described in the draft Concession Contract as it now exists, including the administrative responsibilities associated with the funds.

(I) (We) accept without condition the proposed Maintenance Plan included as Exhibit F of the draft Concession Contract.

(I) (We) accept without condition the Operating Plan included as Exhibit B of the draft Concession Contract.

(I) (We) agree to implement an equal opportunity program and comply with the terms of the Equal Opportunity and handicapped access requirements of the draft Concession Contract.

(I) (We) agree to develop and implement an effective health and safety program (Risk Management Program), according to the requirements of the draft Concession Contract for such programs.

(I) (We) agree to meet the public liability and property insurance requirements of the draft Concession Contract and agree to provide property and liability insurance of at least the types and levels of coverage described in the draft Concession Contract.

PRINCIPAL SELECTION FACTOR 5. THE AMOUNT OF THE PROPOSED MINIMUM FRANCHISE FEE, IF ANY, AND/OR OTHER FORMS OF FINANCIAL CONSIDERATION TO THE DIRECTOR.

(I) (We) agree to the minimum Franchise Fee of three and eight-tenths (3.8%) of annual gross receipts, and agree to pay any higher franchise fee offered in our proposal that may be accepted by the National Park Service.

PART B

Offerors must agree, in their proposal letter, to the minimum requirements identified in Part A of this proposal package, and must provide the information required by the following Part B subfactors to be considered responsive.

PRINCIPAL SELECTION FACTORS

PRINCIPAL SELECTION FACTOR 1. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROTECTING, CONSERVING, AND PRESERVING RESOURCES OF THE PARK AREA.

Subfactor B1(a) The National Park Service is committed to the conservation, protection and preservation of the natural and cultural resources of Grand Canyon National Park. In complying with all applicable laws relating to the protection, conservation and preservation of these resources, please address how you are going to comply with park specific policies and planning documents.

1. Many concession facilities are historic structures that are listed or eligible for listing on the National Register of Historic Places. All repair, rehabilitation and construction having an effect on cultural resources requires Section 106 consultation with the State Historic Preservation Officer.
 - a. How will you ensure that the integrity of these facilities is maintained?
 - b. What types of specialized training will be provided to staff responsible for maintaining these facilities?
 - c. How will you ensure that no repair, rehabilitation or construction is initiated prior to appropriate consultation with the State Historic Preservation Officer?
2. Concession operations have potential to adversely impact the natural resources of the park.
 - a. How will you ensure that ground-disturbing activities have been previously approved by the National Park Service?
 - b. How will you ensure that your operations or employees' activities do not adversely impact park resources, i.e., parking cars outside parking areas; excessive grease getting into sewer system; hazardous materials spills, etc.?

Subfactor B1(b) Please identify your environmental program manager, and provide a brief description of his/her qualifications and past experience with regard to managing an environmental program. If the environmental program manager has not yet been selected, please identify the training and experience factors you will take into consideration in selecting the individual to fill this position.

Subfactor B1(c) The reduction of pollution and the use of toxic products in the park, within the constraints of U.S. Public Health Service codes, is an objective of the National Park Service. One method for doing so, that has been adopted by the National Park Service at Grand Canyon, is the use of environmentally preferable cleaning products for custodial, housekeeping and fleet operations. Primary products utilized for these purposes are naturally derived from renewable resources. Products that are toxic, skin irritants, flammable, corrosive, non-biodegradable, or that contain high VOC levels, petroleum

and hydrocarbons, ozone-depleting, chlorinated compounds or artificial dyes and fragrances should be avoided.

Please describe, in narrative form, your commitment to this important objective and your specific plans for reducing or eliminating the use of toxic products.

1. Identify which of the departments you will convert to use of environmentally-preferable cleaning products and a timetable for each conversion.
2. How do you intend to identify products that meet the above criteria? What documentation will you require of the supplier?
3. Who on your staff will be responsible for monitoring this program? What are their qualifications to do so?

Subfactor B1(d) Submit with your offer a draft Environmental Management Program(EMP) for this operation, addressing the elements identified in the draft CONTRACT Section 6, Environmental and Cultural Protection. The Draft EMP will document processes and procedures to be established that ensure compliance with Applicable Laws related to protection, conservation and preservation of the environment.

Natural and cultural resources and associated values of Grand Canyon National Park are protected, restored and maintained in good condition and managed within their broader ecosystem and cultural context. Specific objectives in the concessioner's EMP should include:

- Hazardous Materials and Waste Management
- Solid Waste Management (including recycling and composting where appropriate)
- Water and energy conservation
- Fuel storage and delivery systems must meet all applicable requirements including underground and aboveground storage
- Emergency Planning and Response
- Pollution Prevention and Waste Reduction
- Reduction of emissions from vehicle and other operations that affect Air Quality
- Protection of water quality
- Protection of night skies from light pollution
- Reduction of noise and protection of natural sounds
- Pest management practices
- Sustainable design and construction practices
- Use of native species

PRINCIPAL SELECTION FACTOR 2. THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES, AS DESCRIBED IN THE PROSPECTUS, OF PROVIDING NECESSARY AND APPROPRIATE VISITOR SERVICES AT REASONABLE RATES.

Subfactor B2(a) Provide your specific plans for each of the services required by the Contract. Remember that the more complete and well-thought-out your plans, the better support you give to your required agreement to the statements in Part A.

Subfactor B2(b) Please provide the following information regarding your intention in implementing the Concessions Facilities Improvement Program required in the draft concession contract.

The estimates given in the Contract for costs involved in this program are Class “C” estimates. Class C estimates are conceptual cost estimates based on square foot costs of similar construction, or on identifiable known unit costs of similar construction items. Class C estimates are usually prepared before a fully defined scope of work is developed, and they consider such factors as job location, unusual site conditions, sources of materials and supplies, and the availability and skills of local labor pools.

1. Describe your proposed construction schedule for each of the projects required by the Concession Facilities Improvements Program.

- a. How do you propose to approach the planning, design and construction process?
- b. What is your projected construction cost for each of these projects?

Subfactor B2(c) The Offeror must accept the proposed maintenance plan without condition. The draft contract requires the new concessioner to maintain the facilities and assigned lands to the satisfaction of the Director and in accordance with the maintenance plan attached to the draft contract.

If you could make changes to the Maintenance Plan that would improve services to the visitors with respect to maintenance, please describe any additions or changes that you would propose to make. You can agree to accept the proposed Maintenance Plan without condition, as required in Part A, and still answer this question.

Subfactor B2(d) The Offeror must accept the proposed operating plan without condition. The draft contract requires the new concessioner to operate the facilities and services to the satisfaction of the Director and in accordance with the operating plan attached to the draft contract.

If you could make changes to the Operating Plan that would improve services to the visitors with respect to operations, please describe any additions or changes that you would propose to make. You can agree to accept the proposed Operating Plan without condition, as required in Part A, and still answer this question.

Subfactor B2(e) Submit a draft Risk Management Plan to address the elements of an effective health and safety program (Risk Management Program), according to the requirements of the draft contract for such a program. This plan must address the following:

- Management’s Policy Statement, Duties, Employees’ Responsibilities, and Administration
- Program administration (responsibilities, goals, resources, etc.)

- Inspection and Abatement
- Deficiency Classification and Hazard Abatement Schedules
- Accident Investigation and Reporting
- Public Safety Awareness and Promotion
- Safety/Health Committee
- Training
- Emergency Procedures

Subfactor B2(f) Employee Training. Concession employees are often a primary source of visitor information about park resources.

1. How will you train your employees about the purpose and significance of Grand Canyon National Park, its surrounding area and the National Park Service?
2. How will you train your employees to provide information to visitors? Recognizing that certain employees will have more contact and more responsibility in this area, what will be the minimum level of training you provide to all employees? What types of training will you provide to employees with more public contact, such as wait staff, retail clerks and service station attendants? What training will you provide to employees with direct interpretive responsibilities, such as tour guides and wranglers?
3. What kind of interpretive cross training with the National Park Service would be useful to your staff?
4. If the National Park Service initiates cross training on interpretive topics, will you participate?

Subfactor B2(g) The National Park Service wishes to continually upgrade gift and souvenir operations to focus more on the park's related themes. Merchandise should enhance appreciation and understanding of the park and the National Park System, the significance of the natural world and environment, and set a model of environmental responsibility. The draft Contract requires that the concessioner develop and implement a plan satisfactory to the Director that will assure that gift merchandise to be sold or provided reflects the purpose and significance of the park, including conservation of resources, geology, wildlife, plant life, archeology, local Native American culture, local ethnic culture, and historic significance.

- a. Consider how your merchandising program will fulfill the goals of the Gift Shop Mission Statement, Supplement B-3 to the Draft Operating Plan. How will you approach developing store themes and decors, as well as the necessary policies and sources of merchandise to successfully effect this program? Include specifically how you will acquire and present merchandise that represents the cultural diversity of the tribes associated with this area.
- b. Provide ideas or sample products or descriptions of interpretive methods, media and/or material you propose to provide.
- c. Propose any changes which you believe would improve the Gift Shop Mission Statement, Supplement B-3 to the Draft Operating Plan. You can agree to accept the proposed Operating Plan without condition, as required in Part A, and still answer this question.

Subfactor B2(h) It is the goal of the NPS to provide every visitor with multiple opportunities to learn about features of Grand Canyon National Park and their significance. Submit your plan for interpretive programs, and for training your employees in providing these programs.

How do you plan to integrate interpretive messages or activities into every suitable aspect of your operation? In your response, include how you intend to deliver interpretive information about the relationship between concessioners and the NPS, Grand Canyon cultural and natural resources, park resource protection, and safety issues. Provide ideas or sample products or descriptions of interpretive methods, media, and/or material you propose to provide.

PRINCIPAL SELECTION FACTOR 3. THE EXPERIENCE AND RELATED BACKGROUND OF THE OFFEROR, INCLUDING THE PAST PERFORMANCE AND EXPERTISE OF THE OFFEROR IN PROVIDING THE SAME OR SIMILAR VISITOR SERVICES AS THOSE TO BE PROVIDED UNDER THE CONCESSION CONTRACT.

Subfactor B3(a). Describe the entity with which the National Park Service will contract. Clearly define the Offeror's relationship to any superior and/or subordinate entities.

Using the format and instructions on the next two pages identify the Offeror and each business organization, operator and any parties involved in management of the proposed concession operation. Add information necessary to make the relationships clear.

The following three elements give an overview of the information requested in this section.

1. Identify the "Offeror" formally. Has this business organization been in existence for some time, is it new, or do you propose to establish it?
2. Explain the financial circumstances, legal form, formal structure and ownership of the primary business organization that would provide the services advertised if your proposal is chosen. Identify any related, subordinate or superior business organizations and any other organizations, contractors, or subcontractors that will have a substantial role in managing, directing, operating, or otherwise carrying out the services to be provided. If the business organization is to be created, what guarantees will be provided by the entity submitting the proposal?
3. Identify any layers of related, subordinate or superior entities, significant contractors/subcontractors, or other organizations or individuals that will act in concert to provide the services required. Describe each of them and their relationships.

Support for Subfactor B3(a):

Provide an organizational chart showing the principal lines of authority within your primary business organization. Specify any related, subordinate, or superior business organizations or any other organizations, contractors, or subcontractors identified within subfactor 3(a) above.

BUSINESS ORGANIZATION IDENTIFICATION FORM

Complete this form for your primary business organization, and each related, subordinate and superior business organization, or any other organization, business organization, contractor or subcontractor identified under Items 1 through 4 stated above.

A. **Name:** _____

B. **Present Address:** _____

C. **Contact Person:** _____

D. **Present Telephone:** _____

E. **FAX Number:** _____

E-Mail Address: _____

F. **Form of business:** Corporation ____ Partnership ____ Individual ____ Other
(Sole Proprietor) (Explain)

G. **Describe the expected role of each in providing this concession service:** (parent, subsidiary, sub-contractor)

H. **Ownership:**

Names and Addresses of Owners (Corp: Show Controlling Interest; Close Corp: Show All)	Number and Type of Shares or Percentage of Ownership	Total Current Value of Investment
TOTAL OF ALL OWNERS		
TOTAL SHARES OUTSTANDING		

J. If a corporation, list the names, addresses, and titles of corporate officers and the names and affiliations of the members of the Board of Directors:

Name	Address	Title

State of Incorporation: _____

K. The following attachments must be provided as applicable for each subject of the form:

1. For offerors and concessioners who are corporations:

- Articles of Incorporation
- Bylaws
- Certificate from the state of incorporation indicating that the corporation is in "good standing."

2. For offerors and concessioners who are partnerships:

- Partnership agreements or joint venture agreements.

3. If the entity that is to be the concessioner is not formally in existence as of the time of submission of the proposal, demonstrate that the individual(s) or organization(s) that intend to establish the entity that will become the concessioner have the ability and are legally obliged to cause the entity to be a qualified person as defined in 36 CFR §51.3.

Subfactor B3(b): Demonstrate the Offeror's competence to manage and operate the specific types of business activities required in this prospectus.

The National Park Service is looking for a business organization that has experience in managing the required services as described at the beginning of this principal factor and in the contract.

1. Give specific examples of business operations undertaken by the Offeror that demonstrate this type of experience.
2. Using the format shown on the following page, and adding to it as necessary, provide detailed resumes for all key personnel who will be actively involved in the management of this business.

Identify the specific role each individual is to play and describe that person's qualifications to play that role. Use the following guidelines to help you:

Be sure to include the following where applicable:

- sole proprietor
- current and proposed partners
- key management employees, including the proposed on-site management
- owners of corporations
- operating officers who will be actively involved in the management of this business.

When discussing work experience, be specific about

- size of operation
- dates
- area of operation
- specific duties
- number of people supervised
- hours worked per week
- other factors that would be helpful to reviewers.

Include

- training
- education
- training, special qualifications, ratings, or licenses needed in some special occupations.

Note that additional support for this subfactor may be provided, as described on the page after next.

**INDIVIDUAL EXPERIENCE AND RELATED BACKGROUND OF CORPORATE
MANAGEMENT STRUCTURE**

To be used in answering Required Subfactor 3(b)

Note to Offeror:

Complete for each person who will have any role in the management of this business.

- A. Individual's Name
- B. Name of Current Employer
- C. Address
- D. (Area Code +) Telephone Number
Fax Number
E-Mail Address
- E. Nature of Business
- F. Exact Title of Position (indicate if self-employed)
- G. Dates of Employment (from--to)
- H. Number of People Supervised
- I. Description of Duties and Responsibilities
- J. Education, Degrees, and Special Skills
- K. Role in Proposed Business
 - 1. Qualifications for That Role
 - 2. Estimated Hours per Week

Support for Subfactor B3(b).

1. Provide an on-site organizational chart showing the principal lines of authority between departments or functional areas and managers.

Include all key managerial and on-site managerial positions (planning, finance, administration, operations, maintenance, etc.) Provide names and resumes of individuals, background experience, and duties for all on-site managerial positions associated with administering the proposed Concession Contract. If the individuals are not known, identify positions and duties to be performed.

2. Describe the decision-making authority to be delegated to the on-site manager(s). Who will be the management decision-maker? With whom will the National Park Service deal regarding day-to-day operations and issues? If you can name the person or people to hold such positions, please do.
3. Indicate the number of employees in each department and provide summary descriptions of basic functions where those are not obvious by title. In addition, provide a description of any training programs to be used through out-sourcing to ensure core competency, and provide opportunities for advancement of employees.
4. Provide proposed wage levels and estimated hours per week for each position or group of positions.
5. What standards or procedures will you apply to the pre-screening, training, termination and hiring of personnel? (Applications, drug testing, law enforcement clearances, reference checks, and interviews requirements, etc.)
6. Define how you intend to initiate and carry out a drug-free environment and eliminate substance abuse in your work force. What will you do to identify individuals who abuse drugs and/or alcohol? How will you initiate a drug abuse and alcohol abuse educational program? What type of referral for treatment program will you provide? What type of commitment do/will you propose to help those who need assistance?
7. How will you ensure your employees will be hospitable and exercise courtesy and consideration in their relations with the public?
8. How will you achieve a constant standard level of knowledge among the staff about the park and its rules, regulations, special programs, as well as a consistent friendly and positive attitude? How would you go about setting standards and training to achieve those standards?
9. How will your training program encourage employees to interact with the resource appropriately on and off the job, and also help them assist visitors in doing the same? Describe what safety and resource issues you will address in your program. Examples may include high altitude health issues, hiking safety, low impact hiking techniques, etc.
10. Outline your proposed job, technical and interpersonal skills training program.
11. Where the concession, or parts of it, will be making a significant phase-up in operations after a period of closure or near closure, such as winter shut-down, describe the training program that will prepare the staff for opening business.

12. List the important aspects of managing operations such as those applied for by the prospectus, and clearly show how you would deal with them.
13. Section 4(b)(2) of the Contract says: “If the visitor services required and/or authorized under this CONTRACT are located in a remote or isolated area, the Concessioner shall provide appropriate employee recreational activities.” How do you propose to achieve this goal?

Subfactor B3(c). The Offeror gives information regarding any past business events.

Answer each of the following fully. The National Park Service will take into consideration circumstances surrounding any past events.

1. Has the Offeror ever defaulted from or been terminated from a management or concession contract, or been forbidden from contracting by a public agency or private company? If YES, provide full details of the circumstances.

YES ____ NO ____

2. Describe any filings for bankruptcy, fines or penalties levied by government agencies, including but limited to any and all legal proceedings against the Offeror, that are related to your past performance in providing facilities and services similar to those described in the prospectus. Include the date of those occurrences and all related information.

Subfactor B3(d). Demonstrate the Offeror’s ability and experience to carry out the Concession Facilities Improvement Program within the terms and conditions of the draft Contract. Describe construction projects you have managed or undertaken. Describe your involvement, the nature of the project, and the cost and size of the project. If you have not managed or undertaken construction projects, how do you intend to acquire the expertise to complete the project.

Subfactor B3(e). Please address the following:

1. Have you been involved in any projects involving the development of environmentally sensitive development projects? If so, describe your involvement, the nature of the project, and the cost and size of the project.
2. Construction of in-park facilities should reflect the natural and cultural setting within the park and create a sustainable environmentally-sensitive development. Provide a vision of the architectural theme and methods of incorporating the principles of sustainable design. The vision can be articulated through design concepts, sketches rendering and/or a narrative.
3. Construction of all kinds should harmoniously integrate with the local environment. Architectural style, design elements, and construction materials should reflect the natural and cultural history of the Area. Additionally, the National Park Service is committed to the concepts of sustainable design, as defined by the American Institute of Architects. Please provide a description of your knowledge, experience of, and commitment to, sustainable design.

PRINCIPAL SELECTION FACTOR 4. THE OFFEROR'S FINANCIAL CAPABILITY

Subfactor 4B(a). The offeror demonstrates a realistic estimate of acquisition, start-up, and operating costs of this business.

1. Summarize the offeror's estimated acquisition costs for the proposed business as outlined below:

Tangible Property

Real Property

a. Acquisition cost, buildings and structures \$165,000,000 (fixed)

b. Initial construction or rehabilitation costs

Contractual Building Program \$_____

Rehabilitation Cost \$_____

Initial Replacement \$_____

Other: _____ \$_____

Personal Property

a. Furniture, Fixtures and Equipment

Acquisition \$_____

New Items \$_____

b. Merchandise and Supplies

Acquisition \$_____

New Inventory \$_____

c. Transportation Vehicles

Acquisition \$_____

New Items \$_____

Intangible Property

a. Organization Cost \$_____

Goodwill \$_____

Other: _____ \$_____

Other Working Capital \$_____

Other (Specify)_____ \$_____

TOTAL FUNDS NEEDED \$_____

Subfactor B4(b). The offeror demonstrates that needed funding (equity and/or borrowed) is available.

The "needed funding" is the total acquisition cost for the business, amount listed as "TOTAL FROM ALL

SOURCES" from Subfactor 4(a).

1. Provide the following information appropriate for your current entity. Do this even if you are the current concessioner:

a. For offerors who are corporations or partnerships; provide

- the latest financial statement for your business and its parent company (if any),
- the notes to the statements,
- any Security Exchange Commission filings,
- similar explanatory material
- related audit report.

b. For sole proprietors, unconventional lenders or proposed individual investors: provide personal financial statements.

2. Attach your current credit report.

3. Identify the source(s) of all needed funds. Present specific and compelling evidence of your ability to obtain the necessary funds. Identify all sources and provide complete documentation. Explain fully the financial arrangements you propose to use, using the following guidelines:

a. Document each source and availability of all funds with your current audited financial statements, financing agreements, letters of commitment, or similar supporting documents.

b. If funds are to be obtained from lending institutions (banks, saving and loans, etc.) the letter of commitment must be on the lending institution's letterhead and include, as a minimum:

- The amount of the loan
- Amount of interest
- Term of the loan
- All encumbrances upon the loan.

c. If funds are to be obtained from an individual, provide the following as appropriate:

- Current personal financial statement for the lender
- Documentation of any assets to be sold
- Written commitment from the lender
- Any other assurances that make a compelling demonstration that the funds are available and committed.

d. Funds to be obtained from an existing asset must be supported. Prove in a compelling way that the asset will yield the necessary funds at the necessary time. The condition of the market for such items should indicate that you will be able to sell the asset at the necessary time and at a price sufficient to provide the funds needed. Provide the following documentation as appropriate:

- Description of the asset
- Condition of the asset
- Any encumbrances on that asset
- Qualified appraisals and other professional estimates of the value of the asset

- Proceeds of the sale of the assets.

Subfactor B4(c). The offeror demonstrates that its funding is adequate through its pro forma income statements and balance sheets, using the following guidelines:

Provide projected estimates of the revenues and expenses of the concession business in the form of annual pro forma income statements, balance sheets and statements of retained earnings for each year of the concession contract's term. These pro forma statements must be examined by an independent accounting firm or other economic and financial professionals with recognized experience in the accounting industry. A certification letter, on company letterhead, must be attached to the prospective financial statements giving some assurance as to the rationale used and comprehensive integrity of the pro forma statements.

- Use the format discussed in subfactor 4(d), which follows.
- Incorporate the annual inflation rate and estimates of real growth you anticipate.
- Attach your projections for revenue and expenses, along with your assumptions in establishing these projections.
- For the income statement and balance sheet, break down operating revenue and expenses by month for the first two years of operations.
- Show annual cash flow.
- Use the outlines given on the following pages. You may add to these outlines, but do not do less, do not reduce the captions called for, and do not change the order of items. This said, you may use your own presentation approach, using a computer, etc.
- Explain the assumptions on which your projections are based to a degree sufficient for reviewers to judge the validity of your estimates.
- More detail is preferred over less.

Only receipts and expenses related to the services required and authorized by the contract [and for which approved rates are given], not other services (outside the park), are to be included in your pro forma statements.

Subfactor B4(d). Describe how your proposed financing arrangements, taken as a whole, are advantageous to the National Park Service through the term of the draft Contract, and how they are responsive to the need for a soundly financed operation with the least number of financing issues to be negotiated in the future.

FORMAT TO USE FOR PRO FORMA (PROJECTED) INCOME STATEMENT

Show your Projections Annually for the Term of the Contract
Monthly for First Two Years

GROSS RECEIPTS (NET)

Lodging
Food
Beverage Sales (Alcoholic)
Souvenir
General Merchandise
Marina
Transportation
Other:

TOTAL GROSS RECEIPTS

COST OF SALES

Lodging
Food
Beverage (Alcoholic)
Souvenir
General Merchandise
Marina
Transportation
Other:

TOTAL COST OF SALES

GROSS PROFIT

DIRECT EXPENSES

Direct Payroll
Payroll Taxes & Benefits
Operating Supplies
Contract Services
Utilities
Repair & Maintenance
Auto Expense
Other:

TOTAL DIRECT EXPENSES

ADMIN & GENERAL EXPENSES

Officers Salaries
Other Salaries
Payroll Taxes & Benefits
Office Supplies
Telephone
Management Fees
Overhead Expenses
Professional Fees
Advertising
Other:

TOTAL ADMIN & GEN EXPENSES

FIXED EXPENSES

Rental Fee
Property Taxes
Insurance
Interest
Depreciation
Other:

TOTAL FIXED EXPENSES

GOVERNMENT FEES

Franchise Fee
Maintenance Reserve

TOTAL GOVERNMENT FEES

OTHER INCOME AND EXPENSES

Interest Income
Gain/Loss on sale of assets
Other:

INCOME BEFORE INCOME TAXES

INCOME TAXES

NET INCOME

FORMAT TO USE FOR PRO FORMA (PROJECTED) CASH FLOW STATEMENT

Show your Projections Annually for the Term of the Contract

CASH FLOW

OPERATING ACTIVITIES

Net Income

Adjustment to reconcile net income to net cash provided by operating activities

Depreciation

Gain/Loss on fixed assets

Other:

Net cash provided by operating activities

FINANCING ACTIVITIES

Dividends

Notes Payable

Other:

Net cash used in financing activities

INVESTMENT ACTIVITIES

Purchase of fixed assets

Proceed from sale of assets

Other:

Net cash used in investing activities

TOTAL CASH FLOW

FORMAT TO USE FOR PRO FORMA BALANCE SHEET FORMAT

Show your Projections Annually for the Term of the Contract

CURRENT ASSETS

Cash
Inventories
Other
Total

NET FIXED ASSETS

Fixed Assets
{Less} Accumulated Depreciation
Total

OTHER ASSETS

Other Assets
Total

TOTAL ASSETS

CURRENT LIABILITIES

Accounts Payable
Current Maturities
Advance Deposits
Total

LONG-TERM LIABILITIES

TOTAL LIABILITIES

EQUITY/CAPITAL

TOTAL LIAB & EQUITY

PRINCIPAL SELECTION FACTOR 5. FRANCHISE FEE AND OTHER FORMS OF FINANCIAL CONSIDERATION TO THE DIRECTOR

The offer of a higher minimum franchise fee than the minimum franchise fee stated in the prospectus is generally beneficial to NATIONAL PARK SERVICE and accordingly may result in a higher score under this selection factor. However, consideration of revenue to the United States will be subordinate to the objectives of protecting, conserving, and preserving resources of the park area and of providing necessary and appropriate visitor services to the public at reasonable rates.

The minimum franchise fee acceptable to NATIONAL PARK SERVICE is three and eight-tenths (3.8%) of annual gross receipts.

Subfactor B(5)a. State the minimum franchise fee that you propose. (Such fee must at least equal the minimum franchise fee set forth above.) Express this fee as a percentage of annual gross receipts.

_____ percent of annual gross receipts

Subfactor B(5)b. The offeror may propose a staggered franchise fee based on particular levels of gross receipts (utilizing as a base, annual gross receipts of \$70 million) so long as the overall franchise fee proposed exceeds the minimum franchise fee set forth above.

For example, instead of the minimum of 3.8% franchise fee on all annual gross receipts, an offeror may propose a 2% franchise fee on the first \$25 million of gross receipts; a 3.2% franchise fee on gross receipts between \$25 million and \$50 million, and a 7% franchise fee on gross receipts in excess of \$50 million.

If an offeror proposes a staggered franchise fee in this manner that exceeds the minimum franchise fee set forth above, the National Park Service will evaluate the proposed staggered fee in relation to the minimum and proposed franchise fees and determine which would be in the best interest of the National Park Service to accept, taking into account the financial implications and associated risks of the proposed staggered fee. The score for this principal selection factor will reflect this determination as appropriate.

SECONDARY SELECTION FACTORS

SECONDARY SELECTION FACTOR 1. THE QUALITY OF THE OFFEROR'S PROPOSAL TO CONDUCT ITS OPERATIONS IN A MANNER THAT FURTHERS THE PROTECTION, CONSERVATION AND PRESERVATION OF PARK AREA AND OTHER RESOURCES THROUGH ENVIRONMENTAL MANAGEMENT PROGRAMS AND ACTIVITIES, INCLUDING, WITHOUT LIMITATION, ENERGY CONSERVATION, WASTE REDUCTION, AND RECYCLING.

Subfactor(B)(S1)(a) Describe the Best Management Practices that you will apply in your operation (including, without limitation, the provision of visitor services, construction, maintenance, and acquisition) to further the protection, conservation, and preservation of the park and other resources.

1. What steps will you take to practice water and energy conservation in daily operations, as well as in the design, construction and/or rehabilitation of facilities?
2. How will you reduce or eliminate use of hazardous materials in your park operations, i.e., petroleum-based products, paint thinners, etc.?
3. Recycling of antifreeze and motor oil are objectives of the National Park Service. How can you accomplish this in your operations?
4. Are there ways in which you can incorporate the use of alternative fuels into your park operations? What are they?
5. What other Best Management Practices can you employ to demonstrate that your company is a responsible steward of the environment and is utilizing the best available technology to protect park resources?

Subfactor(B)(S1)(b) The reduction of solid waste is an objective of the National Park Service.

1. Thoughtful procurement of recyclable products can greatly reduce solid waste. Being sensitive to recycling markets in the Grand Canyon area, how could you adapt your product lines to maximize reduction, reuse and recycling of solid wastes?
2. Use of recycled products can also greatly reduce solid waste that ends up in landfills. In what areas do you see opportunities for purchasing and using recycled products? What is your approach to seeking out vendors whose product lines emphasize use of recycled materials?
3. What other ideas do you have for reducing solid waste generated from your operations?

Subfactor (B)(S1)(c) Describe, in narrative form, your plans for communicating an environmental leadership ethic to park visitors and your own employees, as it relates to the resources of the park and to the environment generally.

SECONDARY FACTOR 2. THE QUALITY OF THE OFFEROR’S PROPOSAL TO PROVIDE NEEDED EMPLOYEE HOUSING AND TO ADAPTIVELY CONVERT EXISTING HOUSING TO GUEST LODGING.

Secondary Factor 2 requests the Offeror to make improvements above and beyond the requirements of the concession facilities improvement program. An offer to undertake some or all of them may result in a higher score. However, a response to this section is not mandatory.

The 1995 Grand Canyon General Management Plan has established that there is a need for significant additional Concession employee housing. In addition, the GMP proposes the development of a Heritage Education Campus in the vicinity of the present Rim Maintenance area. Before these two GMP goals can be realized, however, the following projects must be completed:

PROJECT 1	GOVERNMENT ESTIMATE
Design and construct dorm lodging to provide 142 one-bedroom units, with common areas, to replace existing employee housing in Colter Hall. Location: Pinyon Park. Approximate square footage = 24,850	\$3,479,000
Convert of Colter Hall dorm to guest lodging.	\$2,193,500
Project 1 Total	\$5,672,500

PROJECT 2	GOVERNMENT ESTIMATE
Design and construct dorm lodging to provide 142 one-bedroom units, with common areas, to replace existing employee housing in Victor Hall and Victor Annex. Location: Pinyon Park. Approximate square footage = 24,850	\$3,479,000
Convert of Victor Hall and Victor Annex to guest lodging.	\$1,972,300
Project 2 Total	\$5,451,300

PROJECT 3	ESTIMATED COST OF PROJECT
Design and construct dorm lodging to provide 141 one-bedroom units, with common areas, to replace existing employee housing in Brand and Rouzer. Location: Pinyon Park. Approximate square footage = 24,675	\$3,454,500

Conversion of Brandt and Rouzer Halls to guest lodging	\$2,096,865
Project 3 Total	\$5,551,365

PROJECT 4	ESTIMATED COST OF PROJECT
Design and construct dorm lodging to provide 54 one-bedroom units, with common areas, to replace existing employee housing in Maswik “motor lodge” cabins. Location: Pinyon Park. Approximate Square Footage = 9,450	\$1,323,000
Convert 15 Maswik cabins to guest lodging	\$972,000
Project 4 Total	\$2,295,000

PROJECT 5	ESTIMATED COST OF PROJECT
Heritage Education Campus: renovate Laundry Building into Food Service for HEC	\$1,163,630

The estimate prepared by the NPS is a “Class C” conceptual cost estimate based on square foot costs of similar construction, or on identifiable known unit costs of similar construction items. Class C estimates are usually prepared before a fully defined scope of work has been developed. They consider such factors as job location, unusual site conditions, sources of materials and supplies, and the availability and skills of local labor pools. Class C estimates are used to establish a logical expectation of the costs associated with a future project by assessing the known costs of similar past projects.

Each Offeror should make its own determination as to the probable cost of implementing these construction requirements.

The projects, while listed roughly in the order of priority to the NPS, will be generally rated on the amount of money proposed to be spent on each.

1. Of the above projects, which, if any, would you propose to do?
2. For each of the projects you propose to complete, describe your planning, design and construction approach, to include sequencing and timeframes.
3. What is your estimate of cost for each of these projects? Provide separate cost estimates for planning, design and construction.

Accomplishment of each project will be contingent on the completion of all required cultural and environmental compliance.

If you become the successful Offeror, the projects and methods you propose may be added as construction requirements of the overall Contract.

SECONDARY FACTOR 3. THE QUALITY OF THE OFFEROR’S PROPOSAL TO CONDUCT ITS HIRING, TRAINING AND RETENTION PROGRAM FOR EMPLOYEES IN SUCH A WAY THAT FURTHERS ITS ABILITY TO PROVIDE EXEMPLARY CUSTOMER SERVICE BEYOND THE BASIC REQUIREMENTS OF THE DRAFT CONTRACT.

Secondary Factor 3 requests the Offeror to provide exemplary visitor services through its hiring, training and retention program for employees. The following are not mandatory, but an offer to undertake some or all of them may result in an increased score .

Grand Canyon National Park is located in a remote area. Services to the local community are minimal, and concession employee turnover is high.

1. Hiring. How will you recruit exemplary employees, who are well-qualified beyond the minimum requirements for the job?
2. Training. How will you train employees to exceed the minimum requirements of their jobs, and enable them to provide exceptional customer service? What continuing education opportunities will you provide to your employees?
3. Recreation. Beyond the requirements of the Contract and the Operating Plan, what recreation opportunities to you propose to provide for your employees?
4. What other services or employee support programs, beyond the requirements of the Contract and the Operating Plan, do you propose to improve employee retention and performance?